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foreign trade

CANADA

A NEW LOOK at FRENCH NORTH AFRICA (page 2)

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cover In a Moroccan orange grove, the ripe fruit is picked and put into wooden crates for shipment to foreign customers. Agriculture accounts for nearly half of the country's exports in a good year. For a report on trade possibilities in Morocco and the other French North African territories, please turn to page 2. (Photo courtesy French Information Service.)

—French Information Service

In Casablanca, a modern building rises beside the dilapidated remains of an old one. Morocco's largest city, Casablanca now has a population of 683 thousand, 20 per cent Europeans.

Canadians sell about two million dollars worth of goods annually in French North Africa. What are the prospects of increasing our exports to this region? During a month's visit to Tunisia, Algeria and French Morocco last spring, the writer of this article endeavoured to find the answer to this question.

R. CAMPBELL SMITH, *Commercial Secretary, Paris.*

A New Look at French North Africa

FRENCH MOROCCO, ALGERIA AND TUNISIA have a combined population of 22 million and cover an area four to five times larger than that of France. More than $70 million is being spent each year on imports, public works, defence and services.

Our main hope for new business lies undoubtedly in French Morocco. Legitimate means exist there for the import of most dollar goods: high priority goods at the official rate of exchange, less essential goods at a premium of 7 to 8 per cent and luxuries at a premium of 12 per cent or over. (The three types of imports are explained later in the article.)

Algeria and Tunisia, on the other hand, exercise tight control over dollar imports and these are limited, in Canada's case, to such things as agricultural and light industrial machinery and parts, and asbestos fibre. Algeria, a Department of France, has the greatest potential, with the largest population and, relatively speaking, the most mature economy of the three. But until Metropolitan France can afford to liberate dollar imports, Canada's export hopes lie in expanding present trade. Tunisia is a small but significant outlet for agricultural machinery but obstinate economic problems suggest that it will be a minor market for Canadian goods for a long time to come.

The phase of heavy construction in the three territories has passed its peak. After the war several large power, irrigation and other projects were launched which are, in the main, reaching the secondary stages of completion. Capital expenditure continues at a fairly high level but the demand for capital equipment has fallen sharply in the last two years. The present scale of new projects, completions and extensions, and of road-building seems to indicate that purchases of heavy equipment will be moderate and the replacement market much smaller. Commercial building has declined, particularly in Morocco and Tunisia.

Prospecting for oil and gas is going on in all three territories. In Algeria this program is particularly

important and Canadian exporters should watch it for opportunities to supply equipment and materials. It will have major significance in the country's economic development.

French Morocco

French Morocco covers an area of about 160 thousand square miles and has a population of about eight million (1951-52 census) of whom 363 thousand are European or other non-Moroccans and 200 thousand Moroccan Jews. The principal cities with their populations are: (percentage of European and non-Moroccans in brackets): Casablanca, 683 thousand (20); Marrakech, 215 thousand (5); Fes, 180 thousand (9); Rabat, 156 thousand (27); and Meknes, 140 thousand (15).

Agriculture Dominates

The economy parallels closely that of Algeria; arable land is estimated at 19·5 million acres and 80 per cent of the population depends on agriculture. Cereal crops —mainly barley, wheat and corn—are raised on 80 per cent of the cultivated land. Produce takes 1·8 million acres, pulse crops ·5 million, oil seed crops 276 thousand, citrus fruit 69,000, and vineyards 50,000. The area has 9·4 million acres of forest, under 10 per cent of which is cork oak. Esparto is grown on about 2·2 million acres and 18·5 million consists of undeveloped grazing land.

—French Information Service

Sardines caught off the Moroccan coast are unloaded from fishing boats to be sent to canning plants. Canned fish ranks fourth among exports—about 7·5 per cent of the total.

Crop yields vary widely but in a good year contribute 45 to 50 per cent of the country's total exports. Small quantities of essential oils, herbs, and birdseed are also sold abroad.

Mining and Industry

By far the leading mineral produced is phosphate, mined by a government monopoly, Office Cherifien des Phosphates. The other mining operations are practically all owned by private French companies. Annual output of the leading minerals, in tons, is as follows:

Phosphates	3,953,098
Iron ore	650,500
Anthracite	460,000
Manganese (metal)	382,808
Lead concentrate	115,269
Crude petroleum	101,027
Zinc concentrate	51,409
Manganese (chemical)	43,508
Rock salt	40,000
Iron manganese ore	12,395
Cobalt concentrate	9,136

The local industries produce a variety of products including steel castings, cement and cement products, bricks, hyperphosphates, paints and varnishes, wool and cotton textiles, explosives, paper and cardboard, canned fish, beer, refined sugar, sulphuric acid, etc.

Chronic Trade Deficit

French Morocco has a chronic trade deficit which has reached serious proportions in the postwar years. In 1952, for example, exports paid for only 53 per cent of imports. Over 70 per cent of this deficit arose in the franc area and the rest in the dollar area; the country maintained a small credit balance with the sterling area. France supplied 59 per cent of Morocco's imports in 1952; the United States came second with under 9 per cent, representing largely purchases of goods used in the construction of the American air bases.

Major imports in 1952 were sugar, textiles, machinery, motor vehicles, petroleum products, iron and steel, tea, and farm equipment. Chief exports were agricultural products (over 27 per cent of the total), phosphate rock (19 per cent of the total), metals and concentrates (16 per cent), and canned fish (7·5 per cent). Last year total exports reached 100 billion francs and total imports 168 billion.

No separate DBS figures are given for Canadian trade with French Morocco nor are they shown in detail in Moroccan statistics. However, according to figures prepared at our request, imports of Canadian agricultural machinery and equipment were valued at $323

thousand in 1954; $260 thousand of this represented the sale of 43 combines. In the same period $1,240,000 was spent on U.S. combines.

Increasing Sales to Morocco

While I was in French Morocco, I held discussions with the Office Cherifien de Controle et d'Exportation (the government trade promotion body) and the Comite des Industriels du Maroc. These talks revealed a particular interest in exporting canned sardines and soft fruits, oranges, wine and carpets to Canada. However, sales have not developed significantly.

The scope for Canadian exporters who wish to develop this market is likewise rather limited by the dollar shortage. For the fiscal year 1954-55, which ended on June 30th, the official dollar import program was $22,505,000, of which one-third was for essential supplies (seeds, oil seed, tobacco, cotton, insecticides, pharmaceuticals, chemicals, artificial yarns and fibres, tires, lumber, aviation gas) and the rest for equipment such as motors, machine tools, scientific instruments, spare parts, tractors, and agricultural machinery.

A reserve of dollars is also provided so that the administration may indirectly control the volume of "sans devises" transactions which have periodically flooded the market with dumped goods that compete with local industry.

Types of Import Licences

Several types of import licences are issued for transactions with French Morocco. The chief ones are:

1. *Import Program.* Import licences are issued for supplies and equipment coming under the dollar program mentioned above. These are all highly essential goods.

2. *Foreign Currency Retention Scheme.* Credits are accumulated by exporters in special EFAC accounts on the basis of 25 per cent of earnings from exports to the dollar area and 10 per cent of earnings from exports to other areas. The holder of EFAC dollar credits may apply for an import licence for goods from the dollar area, or may import goods for the account of another resident. These licences are granted on quite a liberal basis. Morocco's sales to the dollar area total about $12 million to $15 million a year, which means that up to $3·5 million worth of import licences a year can probably be obtained under this scheme. This privilege is more important for imports from EPU countries because EFAC credits in one EPU currency can be traded for another. The maximum credits available for EPU imports under the scheme probably reach the equivalent of $9 million.

3. *Imports without Payment.* Import licences issued with no payment involved have received considerable publicity. Locally they are known as "investment dollar" licences, because the importer is obligated to invest the proceeds from the sale of the goods so imported in French Morocco and to produce evidence of that investment. Funds for imports under this provision may also come from the liquidation of foreign investments in Morocco and from donations from abroad. Goods from Germany, Japan, and Hungary are not admissible under this scheme. The cost of these "sans devises" operations is currently about 10 per cent.

In view of reported abuses of these regulations, counter measures have been adopted in recent months; these measures took the form of liberalizing official and EFAC licensing to make "sans devises" operations less attractive. EFAC transactions now cost a 7 to 8 per cent premium compared with the former 12 per cent. Import quotas on textiles and electric cable have also been granted.

Prospects for Canadian Exports

The official dollar program this year came to $22,-505,000. In addition, less essential goods to a value of $3·5 million may be imported from the dollar area under the EFAC scheme. Finally, Canadian exporters can sell to American importers "sans devises".

Fundamentally, Canadian opportunities lie within the limits of the official dollar import program for priority goods and the EFAC scheme for lower priority, but none the less essential, equipment and supplies. Barter deals can be arranged subject to government approval (as can they, within tighter limits, in Algeria and Tunisia).

EFAC credits might be built up by assisting Moroccan sales in Canada. (This does not apply to phosphates as they are exported by a government monopoly with no EFAC rights.)

Lastly, agents or importers exhibiting Canadian goods at the Casablanca Fair may apply for an import licence on the basis of $140 per square metre in accordance with arrangements agreed to by the Moroccan Government on this visit.

Among the inquiries I received were numerous requests for offers of battery radio sets and combined battery and power radios. But other products too should have a fair chance in this market.

Tour of Territory

D. S. ARMSTRONG, Canadian Government Trade Commissioner in Singapore, will visit Bangkok, Thailand, early in December. He plans to leave Singapore on December 8th and businessmen who wish him to undertake assignments in Bangkok should get in touch with him at his Singapore address as soon as possible.

Canadian Flour for the Venezuelan Buyer

Canada is leading supplier of wheat flour to Venezuela, but competition from the United States is increasing and Canadian exporters must make special effort to retain market. Trading conditions are difficult and extended credit terms prevail; long-range prospects good.

A. G. KNIEWASSER,
Assistant Commercial Secretary, Caracas.

VENEZUELA was Canada's third most important market for wheat flour in 1954. Our flour sales, according to the Dominion Bureau of Statistics, totalled 977,235 barrels worth $10,540,777—a record for Canadian exports to this market. Flour shipments alone accounted for over one-third of Canada's total trade with Venezuela during the year. Here is a review of the flour market in this country today.

Canada Is Leading Supplier

Venezuela produces only small quantities of wheat and does not yet have a modern milling industry. Over 99 per cent of local flour needs are covered by imports which, according to Venezuelan figures, totalled 143,293 metric tons worth Bs.62,129,717 during 1954. An estimated 122,400 metric tons of this were purchased under the International Wheat Agreement; the remainder was, of course, bought on a Class 2 basis. Canada supplied 84,789 metric tons, or 60 per cent of the total market, and the United States 40 per cent. Some very small shipments also came from Argentina, France and Switzerland.

Figures for the first six months of this year indicate that total shipments from Canada are up 4 per cent over the same period in 1954. Canadian exporters, however, secured a smaller proportion of the total market—54 per cent, compared with 59 per cent for the same months of 1954, and 60 per cent for the whole year. The main reason for the decline was increased competition from United States suppliers. Local agents of Canadian firms report difficulties in meeting U.S. quotations, particularly on soft wheat and low protein flour.

The following table outlines Canadian flour shipments to Venezuela for the six and twelve-month periods of 1954 and six months of 1955:

	1954				*1955*	
	twelve months		*six months*		*six months*	
	kilograms	*%*	*kilograms*	*%*	*kilograms*	*%*
Canada	84,789,365	60	45,783,039	59	47,414,690	54
United States	58,489,925	40	29,949,733	41	40,365,289	46
France	227	....	....	....	13,671	....
Argentina	14,000	....	....	....	....	....
Switzerland	204	....	....	....	....	....
Total	143,293,721	....	75,732,772	....	87,793,650	....

Venezuelan Ministry of Development figures.

Trading Conditions Difficult

Although flour imports enter Venezuela under licence, importers have no difficulty in securing licences for any quantities they require. All sales are for dollars or bolivars which are freely convertible and, consequently, competition is keen.

The bulk of the business here is being secured by millers who are in a position to quote competitive prices and to extend credit terms. Importers, many of whom own small bakeries, demand and receive from 90 to 120 days to pay after receiving their merchandise. Despite these very favourable terms, it is not uncommon for drafts to run past their due date. Agents have been compelled to reduce their commissions. There are a surprising number of refusals to accept shipments and, as a result, there is always a certain amount of distress flour on the market which serves to depress prices and complicate distribution. These developments all indicate the highly competitive market situation. Very few trade disputes are taken to court.

Good Agents Essential

One of the main reasons why Canadian exporters continue to dominate the market despite these difficult trading conditions is that many of them are represented

by experienced, first-class local agents. Such agents make it their business to keep up-to-date on the credit status and paying habits of all prospective customers. They assist with collections and can, if required, find alternative buyers in the event that shipments are refused. It is important to remember that the commercial fraternity in Venezuela is remarkably closeknit.

The difficulty at the present time is that, because the market is competitive and commissions small, very few first-class local businessmen are interested in taking on a flour line. Some are prepared to take over a brand that has already been introduced and for which a market exists, but there are not many who feel it worthwhile to go to the expense of developing a market for a new brand. Competing business opportunities in Venezuela are much too attractive. In this situation, Canadian flour exporters who are looking for a good agent to introduce a new brand are not likely to meet with success unless they are competitive, in a position to do business on 90-120 day terms, willing to label their flour in Spanish, and most important, prepared to make regular visits to their agents and customers in Venezuela.

Registration Required before Shipment

Brands must be registered with the Ministry of Health before commercial shipments can begin. In addition, registration with the Patents and Trademarks office of the Ministry of Development is desirable to prevent brand simulation once a market has been established. It is the practice for the exporter to pay these registration costs. Registration formalities take from three to six months and cost roughly $160. The Canadian Commercial Counsellor in Caracas can provide details of the procedures involved and can help to secure the services of a reliable lawyer.

Demand Increasing

Venezuela is widely known as an oil-rich country which enjoys a high standard of living. Most observers here foresee years of continued growth and prosperity and, consequently, an expanding flour market. As per capita income rises so does flour consumption; the figures indicate that annual flour consumption increased from 10·8 kilograms per capita in 1940 to 26·5 kilograms in 1954. This rate of consumption is still low by North American standards and it is expected, therefore, that the trend towards increased per capita consumption will continue.

Another important factor is that Venezuela's population too is increasing—in fact, at a rate of about 3 per cent a year since 1945, faster than in Canada. The Government estimates total population at approximately five million this year and expects it to pass eight million by 1970. The Venezuelan Development Corporation calculates that flour consumption will increase by some 13 million kilograms a year over the next five years.

The table below outlines these consumption and population trends. Readers will be interested to note that total flour consumption by 1970 is estimated at 424 million kilograms, compared with 145 million kilograms in 1954.

Estimated Flour Consumption in Venezuela

Year	*Population*	*Per capita Consumption*	*Total Consumption*
		(kilograms)	
1940	3,753,523	10·8	40,495,918
1945	4,317,269	12·7	54,779,060
1950	4,985,716	22·8	113,705,041
1951	5,110,359	24·9	127,920,943
1952	5,238,118	23·5	123,512,189
1953	5,369,071	24·9	133,444,088
1954	5,503,298	26·5	145,500,000
1955 (forecast)	5,640,880	28·0	157,500,000
1960 "	6,382,137	35·0	223,000,000
1965 "	7,220,684	42·5	315,000,000
1970 "	8,168,000	52·0	424,000,000

Source: Venezuelan Development Corporation.

Flour Mill Considered

Within the past few years, Venezuela has either completed or let contracts for a steel industry, various petrochemical plants, more electric power capacity, and a range of secondary manufacturing enterprises. There has been talk of a flour mill for some time and it seems probable that such a project will be undertaken, although this country does not produce wheat in important quantities nor are climatic conditions by any means ideal. A number of proposals have been made but all that can be said at the present time is that, even if there is an early decision, it is unlikely that any project could be completed before late 1957.

The Outlook

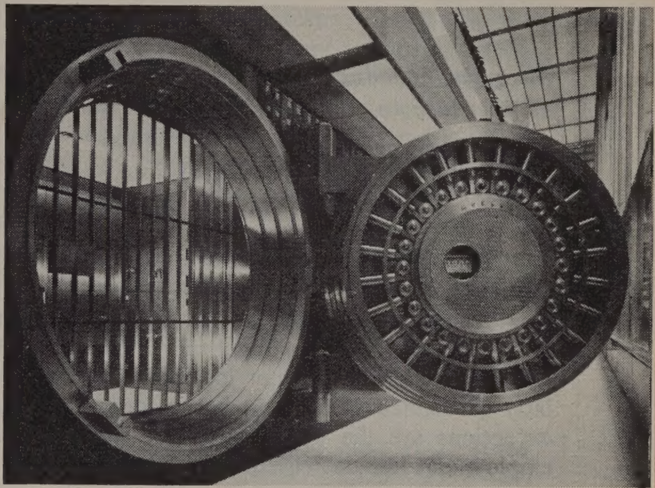
Even with the flour mill project as yet unsettled, it seems likely that Venezuela will continue to be an interesting flour market for Canadian exporters. None of the flour mill proposals so far have envisaged an industry that would turn out more than 48 million kilograms a year—a figure which, although it is 30 per cent of current total consumption, is not large compared with the forecast 13 million kilograms increase in consumption each year. A mill, however, would not be economic unless import duties were raised and/or importers required to purchase a fixed amount of domestically produced flour for each unit they bring in from abroad.

It is clear that the Venezuelan flour market will remain keenly competitive and Canadian exporters will have to call on all their production and marketing skill if they are to retain their share of the business. ●

—"Belfast Telegraph"

In Northern Ireland (left)—The S.S. "Ramore Head" docks at Belfast with a cargo of Canadian leaf tobacco. These longshoremen are starting the casks on their journey to the importer.

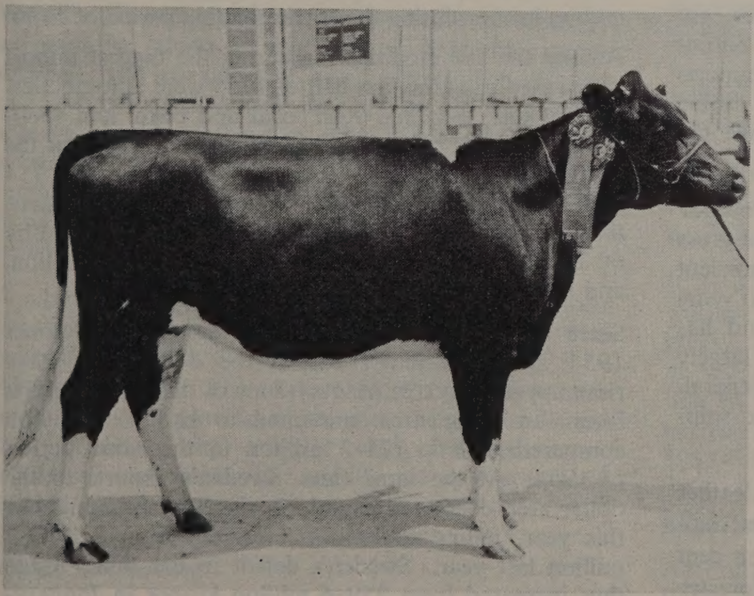
In the United States (below)—The gleaming black wall surrounding this huge safe in the Manufacturers Trust Company's new building in New York is made of highly-polished Canadian black granite. The Canadian granite was used extensively in the main floor of the building and also outside, above the main entrance.



—Ezra Stoller

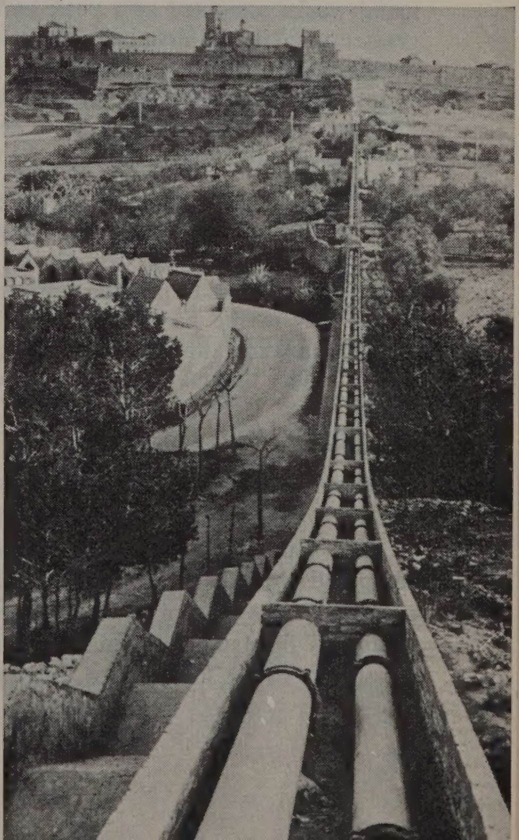
Canada in Foreign Markets

Canadian exporters are invited to contribute to this series photographs of their products in use or on sale in foreign markets. Photographs should be adequately captioned, properly protected for mailing, and addressed to: The Editor, "Foreign Trade", Department of Trade and Commerce, Ottawa.



In Colombia (above)—This heifer, owned by a Colombian breeder, was Junior Champion at the 1955 Bogotá Fair. It is of Canadian parentage; its sire and dam are owned by an Ontario breeder.

In Spain (right)—This system of pipes sweeps across the Spanish countryside carrying water for the city of Tarragona which can be seen in the background. The pipes were made from Canadian asbestos.



SWEDEN: *production and trade*

Mounting production and employment, an increase in sales abroad, and an even larger rise in imports featured first six months of 1955.

L. A. CAMPEAU, *Commercial Secretary, Stockholm.*

DURING THE FIRST HALF OF THIS YEAR, business in Sweden has been very active. In the spring employment rose slightly above the same months last year; demand has been high and unemployment low. Labour has become tighter in several sectors, particularly for skilled workers in heavy industry. The only exceptions are the textile and shoe industries, where employment has decreased this year.

Sweden's exports climbed in the first half of 1955 but imports increased even more. The cost of living rose as a result of the higher price of vegetables and potatoes in particular. Retail trade continued to be active, with business at or above last year's level. The danger of inflation has been accentuated by substantial increases in wages, the result of full employment, and now a number of steps have been taken to reduce the pressure of demand.

Industrial Production Rises

During the first six months of 1955 the average output expanded by 10 per cent. Production of iron and metal works remained at a peak and was 12 per cent greater than in the first half of 1954. Record output of the iron works continued, with extensive imports of iron. Production in the engineering industry during the first half of this year was 8 per cent above the same period of 1954.

The Swedish shipyards have supplied 40 ships of 272 thousand gross tons compared with 257 thousand gross tons during the first six months of 1954. Sufficient orders are on hand to provide work for 1½ to two years ahead. As in the past, the bulk of the demand has been for tankers, although they did not figure as largely in the orders that have come in recently. In general, the situation is less favourable for the smaller shipyards than for the large ones.

In consumer goods, the output of footwear and leather has been kept at last year's volume. In the first half of 1955 imports of footwear increased 50 per cent compared with the same period in 1954. In forestry products, sales of timber were rather slow but prices continued firm; the pulp market has remained about the same. In the first half of the year more than 750 thousand tons of paper and cardboard were produced, a 10 per cent increase over last year's all-time record.

Agriculture Has Poor Season

Prospects for agriculture were not as good as usual during the first half of the year. Conditions for spring sowing proved unfavourable because the snow melted late and the weather was cold and rainy. Pastures wintered well, but growth was retarded by adverse weather conditions in spring and early summer. The estimates of the harvest reflect the damage done by the summer drought, which affected pastures and potatoes and even spring cereals to some degree.

Imports and Exports Up

During the first six months of the year, Swedish imports totalled 5,109·1 million kronor, or 715·5 million kronor more than during the same period last year; exports totalled 4,123·9 million kronor, or 328·6 million kronor higher than during January-June 1954. The import surplus during the first half of 1955 thus reached 985·2 million kronor compared with 599·3 million kronor during the corresponding period of 1954.

Among the commodities registering the biggest import increases during the first half of 1955 were automobiles, mineral oils, iron and steel, coal and coke, and foodstuffs. Imports of textiles and hides and skins, on the other hand, declined by 9·3 million kronor and 7·4 million kronor respectively. Among Swedish exports, timber rose by 118 million kronor, paper and board by 60 million, metals and metal products by 97 million, and iron ore by about 9 million.

Since the liberalization of dollar imports in October 1954, Sweden's imports from the dollar area have risen appreciably. In January-June of this year, imports from the dollar area amounted to kr.956·8 million compared with kr.771·3 million in the same period of 1954. At the same time, Sweden's exports to the dollar area decreased slightly in the first six months of this year, falling to kr.454·3 million from kr.511·7 million last year. Sweden's deficit in her dollar trade thus increased from 259·6 million kronor in January-June last year to 502·5 million kronor this year. However, the Swedish dollar position is still satisfactory and no change in import policy is expected.

Imports from Canada went up to kr.20·1 million during the first half of 1955 compared with kr.8·2 million in January-June 1954. Some of the products which contributed to the increase were rye, canned lobster, canned salmon, polystyrene and other synthetic resins, non-ferrous metals, drugs and chemicals. Sweden's exports to Canada climbed to kr.25·8 million, compared with kr.20·6 million in the first half of 1954. Among main Swedish sales to Canada during that period were machinery, ball bearings and roller bearings, cream separators, rock drills, and manufactures of iron and steel.

Available figures seem to indicate that the favourable conditions now prevailing will continue during the remainder of the year. In industry, a slight recession similar to the one of 1953 is not expected, although in some sectors output is lower than in the first half of 1953. In the iron and metal works there has probably been some stockpiling during the past few months; whether this will cause home demand to shrink in the latter part of the year is uncertain. A further expansion in the engineering industry is not likely because of the restrictions on investment and a restraint on credit introduced this year to curb inflation. For these reasons home market orders are likely to decline.

AUSTRALIA: *the outlook for wool*

Forecast is for record wool production in 1955-56 season, which opened on June 30th. Average price may fall slightly below that of previous year, but world consumption expected to rise.

R. W. BLAKE, *Commercial Secretary, Melbourne.*

WOOL, the mainstay of the Australian economy, accounts for about 50 per cent of Australia's export income. The marketing of wool is carried on in a free market and past efforts to develop a stabilization scheme, similar to those in effect for wheat and dairy products, have failed. Current attempts to arouse interest among wool producers because of the drop in wool prices during the first few weeks of the current season have not fared any better.

A referendum was held in 1951 to decide whether wool growers were in favour of a Wool Reserve Prices Plan guaranteed by the Government. It was rejected by a 75 per cent vote. The growers felt that the free, open auction market provides them with the greatest incentive, promotes the sale of wool with maximum efficiency, and results in virtually no carryover from year to year.

Yields Increasing

The production of wool in Australia in 1954-55 reached the record figure of an estimated 1,294 million lb. and the Bureau of Agricultural Economics forecasts that next season's output will be still higher at 1,311 million lb., greasy. These high yields are the result of an increase in the sheep population to a record 130·1 million as at March 31, 1955, and a small increase in the weight of the average fleece. The increase in the number of sheep in Australia stems from the success of the myxomatosis campaign against the rabbit, and from favourable weather during the past few years.

The gross value of wool production in 1954-55 totalled approximately £A374 million, or almost 10 per cent below last year's figure of £A415 million.

It is estimated that total world production of wool will rise from the probable figure of 4,480 million lb., greasy, in 1954-55 to about 4,520 million lb., greasy, in 1955-56. With carryover stocks of about 210 million lb., greasy, world supplies of wool are expected to reach approximately 4,730 million lb., greasy, in 1955-56.

Exports Down Slightly

According to a report by the Bureau of Agricultural Economics, exports of raw wool from Australia in 1954-55 totalled 1,044·9 million lb., actual weight—25·7 million lb., or 2·4 per cent, less than the previous year. The value of all wool exports in 1954-55 was £A353 million, a decline of 14 per cent from the

£A410·4 million realized in 1953-54. Exports of wooled skins were worth another £15·6 million. Total Australian exports declined in value by 6·4 per cent and the resulting change in the proportion of wool to total exports was from 49·6 to 45·5 per cent.

The United Kingdom was again the leading market, taking 325·8 million lb., or 31·2 per cent, of total raw wool exports, compared with 29·4 per cent in the previous season. Exports to the dollar area rose by 7·5 million lb., or 8·9 per cent, including a 5·4 per cent increase in exports to the United States. Canada bought 1,248,551 lb. of Australian raw wool, greasy, in 1954 and 1,103,816 lb. in the first seven months of 1955. Shipments to non-sterling, OEEC countries fell by 5·1 per cent, mainly because of a decline of 26·7 million lb. in exports to Italy.

Sales in Other Markets

Shipments to France fell by 4·9 million lb. but exports to Germany increased by 11·8 million lb., or 20·1 per cent. Japan took 28·7 million lb. or 22·9 per cent more than last season. Shipments to countries included as "others" fell by 43·9 million lb., or 52 per cent, because of the withdrawal of Russia from the Australian market. Russia bought only 0·4 million lb. of wool from Australia in 1954-55 compared with 56·5 million lb. the year before.

During the first two months of the current season ended August 31st, exports of wool, greasy, reached 101·5 million lb., valued at £A30·4 million, compared with 64·7 million lb., worth £A23 million for the same period last year.

The United Kingdom, Japan and France were again the best customers, in that order, each country taking considerably more than in the same two months last season. Japan purchased 25·4 million lb., more than double the amount purchased during the same period last season.

Trade Balance Adversely Affected

Australian imports for the year 1953-54 totalled £A843·5 million, an increase of 23·8 per cent on imports for the previous year. In 1954-55, higher imports and lower receipts from wool exports changed a favourable balance of £A148·6 million in 1953-54 into an unfavourable one of £A68·0 million. The unfavourable balance with the sterling area increased from £A14·8 million in 1953-54 to £A95·2 million last season.

Trade with the dollar area also deteriorated and the deficit increased from £A21·7 million to £A57·4 million in 1954-55. A favourable balance of £A183·3 million with all other areas in 1953-54 was reduced to one of £A84·6 million last year.

Prices at the opening sales of the current wool selling season were about 15 per cent lower than in the same period last year but they have since strengthened and the Bureau of Agricultural Economics predicts that prices for this season may be only slightly lower than the average for the whole of the 1954-55 season.

Outlook Good

The Bureau of Agricultural Economics states that the gross value of wool production in Australia should be about the same as last year, with a fairly close equilibrium between demand and supply. World wool supplies are expected to be larger this year but a rise in consumption is also forecast.

The outlook for prices is to some extent uncertain, but it appears likely that they will continue at the lower but more stable levels reached during the latter months of the 1954-55 season. In this event, the Bureau states, the average price for 1955-56 may be slightly below that of 1954-55. An estimate appearing in a news sheet published by the Associated Chambers of Commerce of Australia, in an attempt to assess the export income for the 1955-56 season, gives a figure for wool exports of 1,239 million lb., greasy, at an average price of 64d. a lb. (70·88d. last year), totalling £A345 million, (£A353·1 million last year).

The report of the Bureau concludes that the improved trend in wool consumption is based on high and stable levels of economic activity and income in all the main consuming countries. Unless these are upset by some unexpected development, a ready market for all available wool during 1955-56 seems assured.

Data for Exporters

The International Trade Relations Branch of the Department of Trade and Commerce has prepared bulletins covering shipping documents and customs regulations of the following countries: Austria, Belgium, Belgian Congo, Bolivia, Brazil, Chile, Colombia, Cuba, Denmark, Dominican Republic, Egypt, Finland, France, Western Germany, Greece, Guatemala, Haiti, Iceland, Indonesia, Israel, Italy, Mexico, Netherlands, Netherlands Antilles, Nicaragua, Norway, Panama, Peru, Surinam (Netherlands Guiana), Sweden, Switzerland, United States and Venezuela.

If you wish copies, write to the Branch. Data on other countries will be compiled from time to time and will be added to this list.

General notes

Australia

OVERSEAS INVESTMENT—Overseas investment in Australia in the seven years to 1954 totalled £355 million, the director of the Anglo-Australian Corporation has reported. Of this total, £250 million came from the United Kingdom and £94 million from the United States and Canada. The Director said that Australia's internal financial policy must not repel overseas investors, and therefore must not change the present exchange value of the Australian pound. Australia, he said, would need more overseas capital to finance her future industrial development—Sydney, Oct. 31.

MACHINE TOOLS—A U.S. company will build a machine tool factory at Spring Vale, Victoria, which will be one of the largest and most modern in Australia. Eventually the factory is expected to provide employment for 500 skilled workers.—Melbourne, Oct. 28.

TRADE DEFICIT LOWER—Australia's trade deficit for the first quarter of the current financial year (July, August, September) was £15·8 million less than for the first quarter of 1954-55. The improvement was the result of a rise in exports from £152·4 million to £168·6 million. However, the trade deficit for September was £21·2 million, the largest monthly deficit since last December; imports for the month totalled £75·3 and exports £54·1 million. Deficit for the quarter was £39·4. The value of imports was virtually steady, rising from £207·6 million in the first quarter of 1954-55 to £208 million in the first quarter of 1955-56. Recent tightening of import restrictions will not be reflected in trade figures until 1956—Sydney, Oct. 31.

China

IRON AND STEEL INDUSTRY—China's plans for industrial development emphasize the growth of heavy industry. At the heart of this program is the building of an iron and steel industry. Based on advice and help from the Soviet, China is establishing three large and three small iron and steel mills.

The large mills are located at Anshan in Manchuria, (about 60 miles southwest of Mukden); at Paotow in Inner Mongolia (about 350 miles due west of Peking), and at Wuhan in Central China. The small mills are at Tientsin in north China, at Tangshan in the same region, and at Chungking in southwest China—Hong Kong, Oct. 20.

Federation of Rhodesia and Nyasaland

DAM NEARS COMPLETION—The largest water scheme ever undertaken in Southern Rhodesia (apart from the Kariba Gorge scheme) is in the last phase of construction and in some parts is complete. It is aimed primarily at harnessing the Sebakwe River as a source of water and power for the developing industries in the midlands area of Southern Rhodesia near the town of Que Que. The cost when completed will be about $3 million. The project includes an artificial lake with a 35 million gallon capacity and a 60-mile concrete canal—Salisbury, Oct. 26.

Indonesia

JUTE BAG FACTORY—A contract has been arranged between the State Industrial Bank and several private firms to build a hemp bag factory with a capacity of 2½ million bags per year. This factory is expected to be completed in 1957 and will have 840 spindles and 52 weaving machines. Indonesia's bag requirements in 1953 amounted to 18 million pieces and in 1955 it is expected to be 73 million. At the present time, there is only one factory in Indonesia, making 1·8 million bags per year—Djakarta, Oct. 30.

Italy

INDUSTRIAL PRODUCTION—The average Italian production index, based on 1938=100, has increased during the first six months of 1955 by 9·1 per cent, compared with the same period in 1954—Rome, Nov. 10.

Northern Ireland

PEAT INDUSTRY—The first factory in the United Kingdom for the manufacture of peat-based activated carbon is to be established on the outskirts of Londonderry. Production is scheduled to start in 1956. Activated carbon is widely used in industry and in food and drug manufacture as a purifying

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agent to extract unwanted odour and flavour. A ready market is assured in the United Kingdom and the Commonwealth. Previously, the only sources of peat-based carbon were on the Continent.

Peat is one of Northern Ireland's few natural resources and occupies about one-seventh of the total land area, or about 640 thousand acres. For the past three years, the Department of Industrial and Forensic Science of the Ministry of Commerce has been investigating possible uses for peat and the new industry is the first concrete result—Belfast, Nov. 11.

Norway

ROLLING MILL—Possibility of erecting a rolling mill at the state iron works at Mo i Rana is being investigated. Construction of this plant would involve an investment of about N.kr.100 million (approximately Can.$14 million). It is stated that the high-quality electro-steel to be produced by the iron works would be particularly suitable for making pipes for the mineral oil industries, etc. Both Norwegian and foreign interests are involved in the plan—Oslo, Nov. 10.

South Africa

ELECTRIC POWER—Work has begun on a new power station in the Vaal basin with an ultimate capacity of 480 thousand kw. This is the fourth such station situated in the Orange Free State coalfields and its estimated cost is £22 million. In full operation it will use 1½ million tons of coal a year. The four stations will be interconnected for efficient operation—Cape Town, Nov. 11.

Sweden

EXPORT ASSOCIATION BRANCH OFFICE—It has been decided to set up a branch office of the Export Association of Sweden in Gothenburg. It will be opened about January 1, 1956—Stockholm, Nov. 7.

PULP FACTORY—A new pulp factory to produce 60 thousand tons of sulphite pulp a year will be built in Skärblacka, several miles west of Norrköping. There are already facilities for the manufacture of pulp and paper at this site. Production from the new plant will be primarily for export; later part of the pulp may be made into paper. It is estimated that it will take about three years to build the new factory. An estimate of the cost has not been made public but it is assumed that it will be about 50 to 60 million kronor—Stockholm, Nov. 7.

Taiwan

U.S. AID—The Council for United States Aid, Taipei, has announced that ICA aid to Taiwan during the U.S. fiscal year July 1955-June 1956 will total US$102 million. Of this total, US$37 million is for direct support of Nationalist Chinese forces, US$34 million for commodity aid, and the remainder for industrial reconstruction and technical aid. During 1954-55, similar aid totalled US$138 million. Since 1949 the United States has spent US$560 million in mutual security aid in Taiwan—Hong Kong, Nov. 3.

United Kingdom

TRADE DEFICIT HIGHER—For the first nine months of 1955 the United Kingdom trade deficit was £251 million higher than for the same period in 1954. Exports rose by about 6 per cent in both volume and value, but imports rose 15 per cent in value and 11 per cent in volume.

The largest rise in imports occurred in the cereals group, which increased by £49·1 million over the two periods. Coal imports rose by £45·9 million; coal exports dropped by £5·1 million, a net loss which accounts for more than 20 per cent of the total increase in the United Kingdom trade deficit. United Kingdom steel production has not kept pace with increased demand and an additional £44·9 million has been spent so far in 1955 on iron and steel imports—London, Nov. 11.

United States

OHIO INDUSTRY ABROAD—Ohio manufacturers are now exporting their products to the extent of over a billion dollars worth a year. In addition, many Ohio firms have subsidiary plants or licences operating in Europe, Asia, Latin America and, of course, in Canada. Among these companies are some of the most successful in the state. Overseas business gives a very strong support to Ohio's industry—Detroit, Nov. 17.

TURKEYS—Production of turkeys in New England is estimated at 1,505,000 birds for 1955, 16 per cent below the 1954 production of 1,802,000 birds. All states show decreases, varying from 10 per cent for Vermont and Massachusetts to 31 per cent in Maine. Production of turkey broilers in Maine has been substantially reduced this year. Of the total New England production this year, 227 thousand are of the light breeds and 1,278,000 of the heavy breeds; the 1954 total consisted of 374 thousand of the light and 1,428,000 of the heavy breeds—Boston, Nov. 18.

CHEMICAL INDUSTRY GROWTH—In the past year the chemical industry of the South completed privately financed construction projects valued at nearly $713 million, planned new construction valued at $229·5 million, and started construction valued at $605·7 million—New Orleans, Nov. 14.

Markets for Pharmaceutical Products

Canadian pharmaceutical manufacturers anxious to increase their foreign sales might well investigate markets in Central and South America. The following articles present information on two areas with sales potential.

Venezuela

High registration and selling costs, plus competition from both domestic products and imports, make Venezuela a difficult market. But success is possible in certain lines, to judge from the experience of other foreign suppliers.

PUBLIC HEALTH AUTHORITIES in Venezuela campaign for the prevention rather than the cure of disease and the heavy consumption of pharmaceutical preparations gives evidence that the advice is heeded. To maintain good health and energy in the prevailing tropical climate, Venezuelans like to supplement their diet with some form of tonic. Other diverse factors help to promote sales of pharmaceuticals here—such as the prevalence of diseases and food deficiences peculiar to the tropics, federal medical assistance to low-income groups, and the effective sales and service facilities of the many modern retail drug stores in the principal cities, especially Caracas and Maracaibo.

Aside from these attractions for foreign pharmaceutical suppliers, the Venezuelan market offers unrestricted dollar payments and, once registration is accomplished, imports are not saddled with restrictions. All of the internationally famous drug firms are well established and smaller foreign manufacturers associated with local laboratories have also secured a fair share of the market.

Government Supervision

Federal government supervision of medical prescriptions and preventives in Venezuela is fair and effective. To safeguard the public from exaggerated advertising claims and misuse, many preparations that would be classed as patent medicines in Canada have to be registered as ethical specialties. New treatments that are publicly acclaimed, even when they are accepted by the medical profession, must still undergo careful analyses and tests by qualified government medical officials before registration for sale is permitted.

Patent medicines and ethical drugs packaged for retail sale must be registered. Materials for the local preparation of pharmaceuticals are exempt. Because of the accumulation of applications and the thorough examination conducted, at least a year elapses before a new product is either authorized for sale or rejected. The number of products worth registration by any exporter will be governed by the cost, from \$300 to \$350 for each individual item.

Samples for analyses and some examples of Spanish labels to be used must be forwarded to the appointed local representative. He then selects a sponsor (who must be a registered pharmacist) for preparation and submission of the application to the Department. The sponsor is the only contact with the departmental officials and if the procedure is not expedited, approval for sale will not be ready within the year.

The length of time for registration depends also on the product. A corn cure, for example, is not given the attention that a new drug merits. If officials are impressed with the international acclaim of a new product that is in the life-saver class, registration can be accelerated and completed within four to six weeks. These are exceptional cases.

Domestic Production

There are reported to be over 70 laboratories that process pharmaceutical products and toilet preparations in Veneuela. The majority are small establishments engaged in simple packaging and bottling operations. Most of the principal firms are associates or subsidiaries of the big international drug houses. Premises are modern and the best equipment is used. Capsules, tablets, ointments and liquid preparations are machine-made under hygienic conditions and to exacting standards. Eno-Scott and Bowne Company and Sidney Ross Company are the oldest established subsidiaries. Parke Davis and Abbott opened laboratories in Caracas this year and Squibbs have moved to new premises with more storage space and facilities for distribution of their products.

Import duties are often less for the materials than for the finished products and the duties are assessed on gross weight, so it is practical to process and package the simple prescriptions and bulky items in Venezuela. The expansion in the local industry is certainly not due to the availability of raw materials. For compound-

ing pharmaceuticals, the only ingredients that are strictly Venezuelan are water, alcohol, and sugar coating for the pills. All of the other basic elements for pharmaceutical manufacture—talc or glycerine, sulfa or vitamins—are imported.

In the category of ethical specialties, as interpreted by local officials, the principal products that bear the "Made in Venezuela" label are tonics, cough syrups, liver preparations, vitamin products and diarrhoea cures. There is no domestic production of antibiotics, although doctors prescribe these drugs extensively. The market is shared by several companies, none of which has enough business to justify local production of an antibiotic. In the division of patent medicines which can be advertised to promote sales, the leading domestic products are headache and anti-acid remedies, fruit salts, certain emulsions, and milk of magnesia. There are many toilet preparations on the market that are prepared in Venezuela, usually under licence from a foreign manufacturer. At least one name brand in each of these classes is made in the country: toothpaste, shaving cream, astringents, colognes, deodorants, complexion creams, and several hair tonics.

The Import Picture

The value of pharmaceutical imports has decreased since 1949 and the quantity by weight has increased. This does not indicate smaller demand but rather the shift from imports of finished products to raw materials with the expansion in the domestic industry. Imports for 1949 were valued at $10,653,000 compared with $8,570,000 in 1954.

Imports of Pharmaceutical Specialties—1954

(Values in American dollar equivalents)

Country of origin	*Kilograms*	*Value*
United States	1,757,660	$4,820,400
Switzerland	197,081	1,690,800
Germany	138,341	785,400
France	357,468	310,200
Italy	46,125	222,900
Great Britain	56,475	193,200
Brazil	24,456	192,900
Mexico	103,120	92,100
Cuba	11,432	54,600
CANADA	22,009	51,000
Holland	4,202	45,600
Ecuador	11,727	25,800
Spain	33,763	24,000
Colombia	8,202	17,700
Greece	95,904	14,400
Argentina	1,316	11,100
Sweden	5,720	8,400
Japan	5,411	3,900
Belgium	422	1,800
Others	565	900
	2,880,589	$8,567,100

The above general group is understood to cover mainly specialties ready for sale. The fact that United States exports of all pharmaceuticals to Veneuela exceeded $12 million in the the same period strengthens this assumption. Materials for processing and packaging pharmaceuticals appear under many headings in the import statistics so the volume of business cannot be determined. Toilet preparations are also not included in this table. Imports from Brazil consisted mainly of shipments of yellow fever serum and may not be repeated for some time.

The United States has always been the principal supplier but its position has slipped from a 66 per cent share of the market to 56 per cent in the past three years. During this period Germany, and to a lesser extent Switzerland, improved their sales positions. According to Venezuelan statistics, Canadian shipments have remained about the same since 1950. A significant increase should appear this year because some of our principal exporters have transferred their representation to more active firms.

Among the principal exporting nations that sell to Venezuela none has any particular pharmaceutical specialty that sells without competition. The firm's name is important to Venezuelan customers so the well-known manufacturers in United States have the big share in the important antibiotics group. Swiss firms capture the best business in hormones, anti-rheumatic remedies and calcium preparations. The United States has most of the market for infant food formulae; the remainder is shared by Canada, the Netherlands and Great Britain.

Canadian Prospects

The best possibilities for Canadian manufacturers lie in the sale of primary materials. This business will grow because local processing facilities are improving and expanding. Some of the important raw materials have been mentioned but there are hundreds more that are required by the local laboratories. Qualified agents that call on these customers can soon report whether any Canadian offer for pharmaceutical materials has any sales potential.

An appraisal of opportunities for finished products must take into consideration the limiting factors of expense and time for registration, and the high cost of sales promotion. Infant food formulae might be a Canadian specialty and vitamin preparations may well be worth registering for sale in the Venezuelan market. Patent medicines would have to prove exceptional qualities to accomplish satisfactory sales. Canadian producers of patent medicines would do better to consider a licensing arrangement with a local laboratory and contract for the supply of ingredients. Other products associated with the medical profession that have sales potential are bandages, hospital and surgical supplies, veterinary medicines (registration required), and medical containers of all types.

The best sales channel for imports of primary material is considered to be the commission agent. Domestic laboratories purchase their import requirements for further processing either through resident commission agents or directly from the foreign principal under a licensing agreement. Some agents import for their own account certain basic ingredients that are not too bulky. There are some exceptions for certain common materials but the usual practice is for the local affiliates of international drug firms to purchase through the parent organization. The agent requires a high rate of commission because he is faced with heavy office expenses and employs high-salaried salesmen.

For packaged pharmaceuticals, a laboratory is the best representative even though no further processing of the product is required. Most laboratories have a medical doctor as a principal of the company and close associations are maintained with the hospitals, drug stores and practising physicians. Real estate, services, and distributing costs are more expensive for local laboratories so their mark-up is steep to meet the overhead. These factors have also influenced the decision of some foreign pharmaceutical manufacturers to postpone local production or plant expansion.

The introduction of a new line of ethical or patent pharmaceuticals is an expensive business. Local representatives for the limited number of imported products that are registered with authority to advertise, concentrate their promotional funds on radio spots and newspaper insertions. Window displays in drug stores are rarely used. A Caracas firm must really be convinced of the superiority of any ethical drug before an attempt is made to promote a successful introduction. First there is the long wait for registration, then samples must be distributed to the doctors, hospitals and clinics. Even after a particular product is accepted and prescribed by the doctors, the samples required to maintain sales run from 10 to 15 per cent of the volume achieved.

Market Distinctions

Injections are the popular form of treatment in Venezuela. Oral applications are not thought to be as effective, but among these a liquid preparation has preference over pills and capsules. Anti-acid remedies that are sold in tablet form in North America are prepared as liquids in Venezuela. The people are impressed with the need for extra vitamins but the high retail prices influence the purchase of other tonics. Suppositories are seldom prescribed as a form of treatment. Headaches and a host of other ailments are treated with aspirin preparations and sales of these are considerable.

The Venezuelan market for pharmaceuticals presents a fair share of complications and competition to new participants. Still there are some notable success stories reported by foreign suppliers who were not even in the market just five years ago. Despite the firm establishment of the international drug firms in this market, Germany has managed to increase her exports considerably in recent years. It is a long-term proposition, but if Canadian manufacturers start with a genuine interest in the market and co-operate closely with their appointed representative, they can realize some profitable business.

—F. B. CLARK,
Commercial Secretary, Caracas.

Central America

Comparatively little local production, growing demand, and relatively uniform regulations in the six countries make Central America a promising sales outlet. Here is advice on how to enter and service this market.

THE SIX SMALL COUNTRIES of the Central American isthmus are together currently importing $14 to $15 million worth of pharmaceutical products each year. There is almost no local production and, although each country by itself provides a relatively small market, the area as a whole offers interesting prospects for Canadian manufacturers.

Statistics published by the various countries are not altogether comparable but the following table gives some indication of the amounts involved. Figures are for 1953, the most recent available.

CENTRAL AMERICA
IMPORTS OF PHARMACEUTICALS—1953

Country	*Total imports* (in U.S. dollars)	*Per capita imports* (in U.S. dollars)
Guatemala	2,936,644	1·05
El Salvador	2,677,972	1·37
Costa Rica	2,219,024	2·65
Panama	2,202,333	2·74
Nicaragua	1,886,115	1·79
Honduras	1,720,705	1·14
Central America	13,642,793	1·64

The reader will note that per capita imports of pharmaceuticals into Central America as a whole are low. With little local production, consumption is also low. As the area develops and health consciousness increases, the market for drugs should become much larger and the opportunities for Canadian exporters correspondingly greater.

—Frank W. Horner Ltd.

These pharmaceutical products being processed in a Montreal plant will eventually be on their way to a Central American market. Canadian pharmaceutical firms are making sales there despite keen foreign competition in many of these lines.

Principal Suppliers

United States manufacturers have traditionally been supplying approximately two-thirds of the area's requirements, chiefly by direct shipment but with an increasing proportion routed through branches located in Panama's Colon Free Zone. Other important exporting countries are Switzerland, Mexico, Germany, and Great Britain, roughly in that order, followed by a long list of minor suppliers.

Canada, according to the Dominion Bureau of Statistics, in 1953 shipped medicinal preparations worth only $77 thousand and, in the following year, $88 thousand—much smaller amounts than might reasonably have been expected. So far this year the showing has been rather better, though there is still much room for improvement. During the first six months of 1955, Canada sold to the six Central American countries medicinal products valued at $69 thousand, almost as much as in either of the two previous years.

There are a number of reasons for this relatively poor performance. First, where a Canadian pharmaceutical factory is owned or controlled by a United States firm, Central America is usually part of the territory allotted to the parent company. Second, Canadian prices and sales terms have often been out of line with those of other suppliers. This is particularly true of penicillin and antibiotics, which have simply not been competitive with European products. Third, there is no direct shipping connection between Eastern Canada and Central American ports outside Panama, which creates serious delivery problems. Manufacturers must either ship through New York or arrange for trans-shipment in the Panama Canal Zone. Perhaps most important, however, has been the lack of interest shown by many Canadian pharmaceutical houses in the possibilities of these small markets. Fortunately, this last difficulty is the most easily overcome.

What Can Be Sold

To the question of what can be sold in Central America, the answer is virtually anything, because of the almost complete absence of local manufacturing.

Because of variations in altitude, Central American countries have both hot and cool zones. In some locations, therefore, ailments prevalent in more northerly latitudes are commonly encountered and the usual tropical diseases occur in the lowlands. It is safe to say that most curatives sold in Canada would be useful in Central America. Recognition of dietary deficiencies is beginning to prompt a substantial demand for vitamin products. Generally speaking, doctors prefer an injection to a tablet and an antibiotic to a medicine.

Canadian manufacturers have made few efforts to market patent medicines which may be retailed without prescription, though this, with sufficient advertising, could be a large and profitable field. Ethical specialties offer another major opportunity.

Local Manufacture Negligible

Because of the limited local production, there is only a very small market for the sale of pharmaceutical raw materials such as liver, glandular and botanic extracts and other biological derivatives. However, a few relatively simple items (cough syrups, salves, some vitamins, etc., which may be sold without a doctor's prescription) are being manufactured on a small scale in each country, in some cases under royalty agreements with foreign patentholders. A few firms have begun to finish and pack products of foreign companies and this probably holds more promise than manufacture from beginning to end. There is no development in sight, however, likely to create any major difficulties for Canadian exporters of pharmaceuticals to Central America.

Foreign Competition Keen

These are small markets but competition is extremely keen and no exporter should consider entering the field unless he is able to give it adequate attention and is prepared to make a serious and prolonged sales effort.

Many of the foreign firms selling in Central America are large and well-established and the most successful have a permanent supervisor or headquarters in the area, plus their own salesmen or agents in each country. One large United States company maintains a complete establishment in every country and even makes

a few of its products locally. To meet such advantages, Canadian drug exporters should be prepared to undertake advertising programs and also to give their representatives adequate stocks of free samples and descriptive literature. Patent medicines, here as elsewhere, are sold more or less in direct ratio to the amount of advertising.

Central America One Market

Each Central American country must have its own sales set-up but there is considerable justification for considering the whole area as a single marketing unit.

Commercial practices and customs, health, trademark and other regulations follow the same pattern; medical needs and personal preferences are very similar. Each country possesses adequate reserves of foreign exchange and importers have no difficulty in obtaining dollars. The problem of shipping has already been mentioned. However, when a solution is found, it can be applied everywhere. In each country, business is concentrated in the capital; conditions outside are comparatively primitive. A single representative located in a capital can cover the whole country effectively, with the possible exception of Honduras. A traveller from the manufacturer's head office can easily visit all important cities in one trip, or a field supervisor can administer sales in the whole area from a central point.

Sales Procedures

Ideally, a company should appoint distributors and engage salesmen, or detailmen, to work on salary under the direction of a supervisor resident in the district from the beginning. If this is not possible, then a commission agent or importer should be selected in each country, preferably someone already employing suitable salesmen because trained detailmen are scarce in Central America. In this case, the exporter must not expect his representative to devote his entire time to his products. In these small markets, importers and agents of necessity tend to handle a variety of lines. It is normal practice for the manufacturer to allow the importer a discount, or make cash payments, for the detailman's salary. Whether the exporter employs a salesman directly or retains an agent, his representative should possess a power of attorney.

As a general rule, actual import can only be carried out by a pharmacy or a registered pharmacist. The distributor must meet this requirement, although for an agent taking orders only this is not necessary.

So far as sales terms are concerned, pharmaceuticals are normally shipped to the distributor or importer on consignment, to be paid for when they are finally sold. On orders for direct shipment taken by the importer, agent or salesman, the terms are usually sight draft but vary according to ordinary commercial practice. Excepted, of course, are sales made on this basis to duly appointed distributors. The distributor's mark-up to the retailer on the landed cost is about 25 per cent and the retail mark-up about the same. Most representatives set the pharmacy price at which the product may be retailed.

Distributing Point Desirable

As the business develops, the exporter may find it convenient to establish a central distribution point from which he can fill orders in the various countries quickly and cheaply by air. This should not be in one of the Central American countries proper as none currently provides for any customs rebate on re-exported merchandise.

The most obvious location for such a distribution centre is the Colon Free Zone operated by the Government of Panama. There are good shipping connections between Colon (Cristobal) and Eastern Canada. Goods may be broken up in the Zone and re-shipped by air to nearby countries. Several drug companies have established branches in the Zone and one large United States house now maintains its Latin American headquarters there.

To indicate the scale of operations, in 1953 pharmaceutical products worth $5,221 thousand entered the Zone and the value of outward shipments was $9,966 thousand—the difference in the two figures is largely the result of mark-up rather than re-processing. Although much of this merchandise is sent to South America, substantial quantities are sold in other Central American countries or withdrawn for domestic consumption in Panama.

The objection has been made, however, that the Colon Free Zone's charges are too high to permit firms to operate there economically on a small scale and manufacturers interested in Central America alone might be well advised to look elsewhere. In this connection, attention has been turning to Belize in British Honduras which, although it is not as easy of access as Colon, offers a number of other advantages and has fairly good air connections with nearby countries.

Government Regulations No Obstacle

Licensing requirements in Central America are straightforward on the whole and should create no serious problem. Details for each country may be obtained from the agent before or after appointment or from the Canadian Trade Commissioner in Guatemala.

In general, though, all pharmaceutical specialties and patent medicines must be registered with the Health Department of each country. The supplier must provide with the application an analysis or list of the active ingredients, the therapeutic effects ascribed to the preparation, two or three samples in the form in which

the product is to be sold, and usually all advertising material which he plans to use. Proof will be required that the product to be registered is freely offered for sale in Canada. A certificate to this effect should be obtained from the Department of National Health and Welfare and must be authenticated by a consul of the country concerned.

The cost of registration, including the sponsoring pharmacist's fee, amounts to about $40 a product per country and takes one to three months. (The process also involves the registration of trademarks and tradenames which must be published in the *Official Gazette* of the country.)

The names of ingredients, scale of dosage and other cautionary notes, where required on the label, must be in Spanish. Generally speaking, the exporter should furnish a Spanish label.

There are the usual rules concerning narcotics and toxic materials but internal regulation of the sale and consumption of pharmaceutical products is not extensive. As their main protection, health authorities rely on the requirement referred to above: that a given article is freely offered for sale in the country of origin.

So far as tariffs are concerned, because duties are levied for revenue purposes rather than to protect domestic manufacturers (at least in the field of pharmaceuticals), the actual rates are of no importance. All of the countries except Honduras grant Canada most-favoured-nation treatment. In Honduras, a preferential agreement gives the United States a bit of an advantage over all other suppliers in some branded products, but the differences are not great.

There is only one other significant import regulation in the area. The Government of Nicaragua requires importers to register each order and to deposit with the Central Bank a sum in cordobas equal to 75 per cent of the c.i.f. dollar value of the order before shipment is authorized.

—J. R. MIDWINTER,
Assistant Trade Commissioner, Guatemala City.

commodity notes

Argentina

PYRETHRUM—Argentine production of pyrethrum in the fiscal year 1953-54 fell to eight metric tons, from 22 tons in the previous fiscal year. This almost exactly equalled that in the fiscal years 1951-52 and 1950-51, but compares poorly with the 82 metric tons in 1945-46—Buenos Aires, Nov. 7.

LEAD—Lead production in Argentina last year totalled 30,115 metric tons, compared with 26,713 tons in 1953—Buenos Aires, Nov. 7.

Australia

IRRIGATION PIPE—The Australian Irrigation Development Association has announced that a new means of irrigation, known as gated piping, is now on the market in Australia. In watering crops by furrow irrigation, a substantial amount of water and manpower can be saved by using gated pipes instead of ditches. The gated piping is equipped with small, individually-operated distributing gates, spaced along the side of the piping to match furrow widths or to suit individual crops. The piping has flexible joints and is easily moved. The gates are easy to operate and practically watertight. The system prevents evaporation and seepage losses and means that a higher percentage of water reaches the roots—Sydney, Oct. 15.

Chile

RAILWAY EQUIPMENT—Under the terms of the trade agreement with West Germany, the Chilean State Railways have acquired 30 modern first class carriages, six Pullman coaches, three dining cars, three electric trains of four carriages each and nine intermediary carriages. Total amount involved is said to be US$5 million. The report adds that nego-

tiations with the same source for the supply of several high-powered diesel locomotives may be carried on—Santiago, Nov. 8.

IRON AND STEEL—It is estimated that within the next 18 months Chile will be able to produce sufficient iron and steel to meet domestic requirements—Santiago, Nov. 8.

Hong Kong

FLASHLIGHT CASES—A newly-established Hong Kong factory is producing seamless aluminum flashlight cases. The company employs a new production technique (details are withheld pending the granting of patent rights) which avoids the traditional method of folding, brazing, or deep-drawing and which permits each production line to turn out 50 seamless cases a minute. The factory also features a low-frequency electric furnace combined with a small rolling mill which turns aluminum ingots into blanks, and an automatic electrolytic treatment plant for anodizing colour finishes. Future plans include the addition of a mechanized battery-making division—Hong Kong, Nov. 2.

India

STREPTOMYCIN—A firm sponsored by the Central Government has announced that it will soon produce streptomycin in India to help combat tuberculosis. The same firm is already producing penicillin and proposes to add chloromycetin to its products—Bombay, Oct. 28.

FERTILIZER—India's fertilizer factory at Sindri, Bihar, produced 154,121 tons of ammonium sulphate during the first six months of this year. This was 29,496 tons more than during the corresponding period last year. A scheme to expand the total production at Sindri by the making of two new fertilizers—urea and ammonium nitro-sulphate—using coke oven gas, is now under way. It will increase capacity by over 60 per cent and is expected to be completed in about three years—New Delhi, Oct. 26.

Indonesia

HARDBOARD—The Industrial Department of East Java, and a national company, have begun construction of a hardboard factory at Sukowidi. This factory, which will cost 2½ million rupiahs, will make hardboard from coconut fibres. Production is expected to start in early 1956—Djakarta, Oct. 30.

Jamaica

FLOUR—Kingston importers of flour are much perturbed by the fact that in the period September 23-30 the city's public health authorities impounded about 35,000 sacks of flour which had been stored in the warehouses of several wharves. After examination the authorities condemned about 4,000 sacks as infested with weevils and therefore unfit for human consumption. A portion of the condemned flour is being used in compounding animal feeds.

For some time past, the Kingston wharf warehouses have been heavily congested with flour and other imported cargo. The low charges for storing there, which are fixed by law, encourage importers to leave their flour on the wharves practically until it is ready to be consumed. Moreover, alternative warehouse space is far from plentiful.

The loss resulting from the action of the public health authorities will be heavy and is not covered by insurance. The wharf owners disclaim liability. Importers have engaged legal advice. As the flour was government-inspected and certified in good condition before being shipped, the position of the shippers seems unassailable—Kingston, Oct. 31.

Netherlands

CATTLE—More than 12,200 registered dairy cattle were exported from Holland in the first half of 1955 compared with just under 4,000 in the corresponding period of a year earlier. In the same periods 4,900 and 6,700 head of non-herdbook breeding cattle were exported. An additional 4,600 head of slaughtered cattle were shipped abroad in the first half of 1955; none were exported in the corresponding period of 1954. The main markets for Dutch cattle in the first six months of this year were Italy, West Germany, Luxembourg, France, Spain, Greece and Belgium—The Hague, Nov. 15.

Norway

NEWSPRINT FROM PINE—A Norwegian pulp and paper company has started making sulphite newsprint from pine pulp on an experimental basis. The process is based on a Swedish patent which has been further developed by the company. Should these tests prove successful, the Norwegian pulp and paper industry will be able to use large quantities of commercially low-grade pine—Oslo, Nov. 11.

South Africa

TRACTORS AND FARM EQUIPMENT—Figures to the end of June show that South Africa purchased 5,681 tractors from the United Kingdom costing just over £2·5 million, compared with 3,825 valued at £1·7 million for the same period last year. Imports of agricultural equipment were also up slightly, from £474 thousand to £559 thousand for the first six months of 1955—Cape Town, Nov. 3.

United States

APPLES—Commercial apple production in New England is estimated at 9,545,000 bushels on the basis of October 1st conditions. The increase in the prospective crop from the September estimate of 9,375,000 bushels is about 2 per cent and results from the improved prospects for the Maine and Massachusetts crops. Estimated production is 52 per cent larger than the crop of 6,265,000 bushels harvested in 1954, and the ten-year (1944-53) average production of 6,429,000 bushels—Boston, Nov. 14.

GLASS—A major United States glass manufacturer has announced three commercially practical developments in glass and has predicted several dramatic developments for the future. The new commercial processes are: a method of producing glass containers 20 per cent lighter than at present, a heat treatment to make these more durable, and a low temperature glass solder which may reduce the costs of TV picture tubes.

Three basic factors indicate a new era in glass: an inexhaustible supply of raw material, a strength potential far greater than at present, and unique natural properties. At present, it is claimed, commercial glass is produced at about 1 per cent of highest possible glass strength. When new processes raise this to 10 per cent, all-glass bridges and buildings are predicted—Detroit, Nov. 15.

POTATOES—Potato production in New England is estimated at 75,022,000 bushels on the basis of conditions prevailing on October 1. The prospective crop is 2 per cent less than the September estimate of 76,666,000 bushels, 31 per cent larger than the 1954 crop of 57,056,000 bushels, and 6 per cent more than the average production of 71,090,000 bushels for the ten-year period 1944-53. The Maine crop for 1955 is estimated at 68,200,000 bushels—39 per cent larger than the light crop of 48,960,000 bushels harvested in 1954, and 10 per cent larger than the ten-year (1944-53) average production of 61,758,000 bushels. Quality is very good and losses from blight or rot damage are insignificant—Boston, Nov. 3.

AUTOMOBILE TIRES—A U.S. company recently announced a new passenger car tire that maintains traction and skid resistance even when two-thirds worn and which gives 25 per cent more mileage than other tires. Another firm has announced a new line of lower-priced tubeless passenger tires designed to replace tubeless tires originally supplied—Detroit, Nov. 18.

PLYWOOD VENEERS—Research co-ordinated by the Fine Hardwoods Association of Chicago has resulted in a new simple process for making fine hardwood plywoods almost completely resistant to cigarette burns and other abuses. A layer of aluminum foil is placed below a hardwood veneer to dissipate surface heat. This permits hardwood plywood to compete with the expensive, high-pressure plastic laminates—Chicago, Nov. 10.

TITANIUM—A Massachusetts research and development company will build a demonstration pilot plant near Boston to produce titanium metal by a new non-Kroll process which it has developed. The plant is being designed to produce 1,000 pounds of metal per day. The process, which has been in operation on a pilot-plant scale for two years, is said to produce high-purity metal in crystalline form—Boston, Nov. 16.

Uruguay

WHEAT—According to press reports, Chile is negotiating for the purchase of 20,000 tons of Uruguayan wheat, but the same report says she is also buying 150 thousand tons from Argentina because prices in that market are more attractive. The present surplus from the 1954-55 crop is 140 thousand tons. It is estimated that the 1955-56 crop will yield one million tons, which will leave a surplus of 500 thousand tons for export—Montevideo, Oct. 28.

LIVESTOCK—The government-owned meat abbatoir and packing house, Frigorifico Naçional, recently announced the successful conclusion of negotiations with Argentina for the purchase of 60,000 cattle on the hoof. There has been an acute meat shortage in Uruguay for some years—Montevideo, Oct. 28.

West Germany

ELECTRICAL GOODS—According to the Central Association of Electrical Industries (Zentralverband der Elektro-Industrie), the German electrical industry has continued to increase its share in world exports during this year. Exports of the 14 leading countries in this field rose during the first half of 1955 by 6 per cent to $1·37 billion, compared with the same period of 1954. With a share of 16·9 per cent ($230·8 million), the Federal Republic ranks third among the countries exporting electrical goods. The United Kingdom, whose share amounts to 66·6 per cent, still takes the lead, followed by the United States with 33·1 per cent—Bonn, Nov. 9.

PACKAGING MACHINES—Germany's 70 packaging-machine manufacturers export 70 per cent of their total production. The annual value of production totals DM120 million. A large portion of these exports go to the United States, the United Kingdom, France and Italy, who each import 10 per cent—Bonn, Nov. 9.

—Bermuda News Bureau

Howard E. D. Smith, of Bermuda, who was made an M.B.E. for his work in breeding new types of lilies, is shown in a field of St. David's Island Easter lilies, which he developed.

Dollars for Scents

Bermuda lilies, a familiar sight at Easter, have become the Island's largest local export. Here is some information about the types grown and exported.

C. R. GALLOW,
Consul and Trade Commissioner, New York.

THE LILY has replaced the onion as Bermuda's principal domestic export; each year the crop has been growing and last year it covered about 26 acres. The main varieties of lilies grown commercially are the Howardii, Longiflorum, Croft, Harissii and Creole, and planting starts in July and continues for about three months. Shipments, usually made by air, begin in mid-December and carry on until June. Last year some shipments were made as early as the middle of November, but that was the first time in the industry's history that deliveries had started so early. Usually harvesting, packing and shipping all take place within 24 hours.

As a rule, each grower raises and markets his own lilies; about one-third of the crop is sold locally and the remainder is exported. The perfume factory in Bermuda grows its own supplies but sometimes has to buy additional quantities from other growers. The selling season begins toward the end of October because the growers seldom know before that time how the plants are going to shape up.

Sales are made under three classifications and complete instructions for proper handling accompany each shipment.

- *Heads*—Two to three inches of stem are attached. The heads are wrapped in wax paper and packed 125 to a cardboard box. They can be kept in the packing in a chilled room for a week to ten days, or can be cut and put in water. About 25 per cent of the crop is sold in this form.

- *Flowers*—Stems become longer as the season progresses. The flowers are packed 18 and 36 buds to a double-thickness cardboard carton; the tip of each stem is individually wrapped in wax paper. Sales are made on the count of the number of buds and there may be four to six buds on a stem. The shipping season for flowers usually starts about the end of February and about one-half of the crop is sold in this form.

- *Bulbs*—These are dug in late June or July and so must be ordered in May or early June. They are packed in sand and in wooden boxes in the following sizes: six to seven cm., seven to eight cm., eight to ten cm., over (extra large). A certificate from the Bermuda Department of Agriculture accompanies each shipment of bulbs. Shipments are made in August and approximately one-quarter of the crop is sold in this form.

Prices and Terms

The following average prices are purely indicative and all are f.o.b. Hamilton, Bermuda.

(*a*) Heads: Eight cents per bud; the price drops as the season advances.

(*b*) Flowers: 12 cents per bud.

(*c*) Bulbs: $25.00 to $30.00 per case.

Purchases can be made at the going price at time of buying or contracts can be arranged on a fixed price for consecutive shipments throughout the season. It is sometimes possible to obtain shipments on a consignment basis. Although the growers say they usually have more orders than they can handle, they are still interested in inquiries from Canadian florists. The names of growers in Bermuda can be obtained from the Consul and Senior Trade Commissioner, Canadian Consulate General, 620 Fifth Avenue, New York 20.

Canadian importers who intend to place orders for bulbs should become familiar with the regulations of the Department of Agriculture, Ottawa, governing such imports. ●

How to Sell in the Cuban Market

Tariff preference which the United States enjoys discourages some exporters from seeking Cuban sales. But there are opportunities for Canadian firms in certain lines—if they pursue them energetically.

G. A. BROWNE, *Commercial Secretary, Havana.*

IN AN APPROACH TO THE CUBAN MARKET, two considerations have long been familiar to most Canadian shippers. One is the tariff preference which United States goods enjoy as a result of U.S.-Cuban trade agreements; the other is that, after fifty years of this close trade relationship, Cuban consumers are so conditioned to American products, design, merchandising and publicity methods that Cuba might almost be described as an extension of the U.S. domestic market.

However, although 75 per cent of Cuba's imports come from the United States and most of the remainder are goods which the U.S. does not normally supply in quantity, the following table indicates that the effect of the U.S. tariff preference—generally a reduction of 20 per cent from the rates applicable to other countries and in some cases more—is not wholly exclusive.

IMPORTS OF MERCHANDISE INTO CUBA BY LEADING COUNTRIES

(in thousands of Cuban pesos)*

	1953	*1952*
Total—all countries	$489,733	$618,314
United States	370,151	462,021
India	12,872	24,230
Dutch West Indies	14,524	17,364
CANADA	10,598	18,425
United Kingdom	10,282	15,535
West Germany	9,175	9,623
Belgium	8,119	8,471
Mexico	5,084	7,486
Netherlands	5,860	6,053
France	3,569	4,054
Italy	3,106	3,781
Norway	2,299	3,143
Chile	1,811	3,624
Switzerland	2,154	2,195
Sweden	1,995	2,070
Japan	2,056	1,846
Uruguay	1,086	563
Venezuela	1,220	340

(Cuban official statistics.)
*One peso=one U.S. dollar.

Since 1950 and the Cuban agreements with West Germany and the United Kingdom, certain modifications in the Cuban tariff have in some cases removed some of the obstacles confronting non-U.S. suppliers who wish to sell in the Cuban market.

Imports Analyzed

The most recent official statistics for the calendar year 1953 show the value of total Cuban imports as 489·7 million pesos (equivalent to U.S. dollars). An analysis of these figures reveals that, among the approximately 1,350 items in the Cuban tariff—on most of which the United States enjoys a preference—there are some 91 on which imports from most-favoured-nations are on an equal footing with those from the United States. Among these goods are: stone; certain glassware, crystal, and porcelain; steel pipe; wire and gauze; agricultural hand tools; fishhooks; cutlery, dental and surgical instruments; aluminum foil; litho ink; certain fertilizer chemicals; pulp, newsprint, cigarette and wallpaper; pine lumber, broom handles, logs and planks; pianos, phonographs, organs, string and woodwind instruments; steel-case watches; scientific apparatus and instruments; agricultural and industrial machinery and related gauges, instruments and indicators; motors, pumps; office machinery, electrical machinery and apparatus; needles; automobiles and parts; codfish, hake, herring, sardines; wheat; seed potatoes, fresh apples and pears, certain seeds, canned vegetables and soups; whisky; ornaments and knicknacks; plastic moulding powders and electrical fixtures; games and toys; cartridges; machine packings; waterproof cotton fabrics, and calcium carbide.

The value of imports of these 91 no-preference or equal-rate items in 1953, according to Cuban statistics, reached $67·7 million. The U.S. supplied 70 per cent of these imports (by value), compared with the 75 per cent of total overall imports originating in the United States and the 2·1 per cent originating in Canada. If the preponderant item for automobiles and parts—$26 million (94 per cent U.S.) or more than two-fifths of the equal-rate total—is excluded, then U.S. participation in the remaining $42·2 million is 54 per cent, the Canadian 10, and the remainder

If You Want to Increase Your Cuban Sales. . .

1. *Study the list of goods which can enter Cuba under the most-favoured-nation tariff.*
2. *Inquire into type of imports needed by government and public agencies, by state and other institutions, by the sugar mills, and by certain industries which enjoy tax exemptions.*
3. *Decide whether you need representation both in Havana and in provincial centres.*
4. *Plot the location of past sales to see whether your agent is covering the island adequately.*
5. *Supply your agent with product information, publicity material and other sales aids—in Spanish.*
6. *Remember that price is the primary consideration in Cuban sales.*
7. *Make sure that you understand the Cuban customs regulations and that the shipping documents are in order.*

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chiefly European, including *franquicia* or special customs-exempt imports of 2 per cent.

It is noteworthy that, although Cuban total imports fell from $618 million in 1952 to $489 million in 1953 with a corresponding decrease in these 91 items, European exports in this group do not appear to have shrunk proportionately. This may indicate that Germany especially, with Belgium, Switzerland, the United Kingdom, France and the Netherlands, is making the most of the tariff equality in this group.

Opportunities Presented

In addition to these particular items, Canadian shippers may find opportunities from time to time in the general categories into which the Cuban import market falls. For capital goods, among the largest of these are imports of government and public agencies including the armed forces and state transport (usually duty-exempt) and procurement by state, para-state, health, educational and charitable institutions where duty exemptions frequently apply.

The largest individual group importing producers' goods is the island's 161 sugar mills whose annual bill for imported repair and replacement parts and improvements is estimated at over $20 million. A considerable portion of these orders is placed through the U.S. offices or agents of the sugar companies. Production materials imported by the textile, tobacco, furniture, soap, chemical and pharmaceutical, cement, petroleum, aluminum, paper, paints and ceramics industries—some of which enjoy certain customs exemptions under the recent Industrial Stimulation Laws—also offer sales opportunities to price-minded and energetic exporters. In many, if not most, of the above areas (including the growing mining industry) requirements are often highly specialized, involving special offers and sales approaches.

The largest sector of the import market is undoubtedly consumer goods—including food, clothing, household furnishings, drugs and medicines, toilet articles, jewellery, accessories, hardware, automobiles and automotive supplies and the general run of merchandise for department stores and retailers. Nearly all of it is imported.

Distribution Arrangements

Havana, the capital and principal port, with a metropolitan population of over one million (or nearly one-fifth of Cuba's people) is naturally the principal import centre and controls the Island's trade. Most foreign exporters prefer to cover Cuba through one Havana sales office or a firm of sales representatives, with its own branches or sub-agents and an adequate force of travellers to cover the island. In industrial equipment, in mill supplies and in sales to government, this is usually the best system. In certain consumer lines, however—mainly in packaged goods, which require wide and intensive distribution, advertising, and constant contact with the trade of each community—the country can be divided into individual territories. This provides more intensive representation in the provincial areas whose centres are Santa Clara, Camaguey and Santiago de Cuba.

Provided he is satisfied that his product is competitive and that there is no insuperable tariff barrier and provided that he is prepared to meet any potential demand promptly, the Canadian exporter anxious for more sales in Cuba might do well to plot the location of his past sales to determine whether his local representative is covering the island adequately. Best results, of course, come from a personal visit long enough for the exporter to familiarize himself with the principal market centres.

Apart from the capital itself, there are three other cities of over 100 thousand population, one of over 50,000, nine over 25,000, 41 over 10,000 and some 150 towns and settlements over 1,000. Many of the latter are, of course, not so much market centres as sugar-mill settlements. It may be that a Havana agent's down-country sales have been limited by lack of travelling, by the increased credit risk that sometimes results from an account difficult to assess or service from Havana, and by the fact that, in general, his sales costs in time, energy and operating expenses are often disproportionately greater for provincial than for metropolitan sales. This means a correspondingly smaller return for his overall effort.

Many representatives of Canadian firms do not, in all cases, limit their activities to one line or group of closely associated lines; some carry a variety of representations. Not all of these agents have an office organization adequate to support their legwork and daily business contacts with longer-term publicity and information on their principals' goods. There is room in the score or more transportation, shipping, trade association, professional and trade periodicals for free or minimum-cost publicity in Spanish which Canadian exporters, unlike the Europeans, do not appear to have discovered. This medium is only one of several, including direct mail, which will suggest themselves to export managers concerned with the question of how best to aid their Cuban representative.

If the shipper entertains hopes of a significant increase in Cuban sales, the importance of product information, instruction material, publicity and labelling in Spanish cannot be too strongly emphasized. The notable increase in the past few years in the number of advertising agencies in Havana—they now number over 80 and offer extensive press, TV, radio and display services—demonstrates this unmistakably.

The need for sales aids of this kind to supplement samples is pointed up when it is remembered that many Cuban importers are accustomed to visiting the nearest and principal U.S. domestic marketing centres regularly and placing orders direct with exporters or manufacturers for goods actually seen in the shipper's stockrooms or warehouses.

Commissions and Documents

Sometimes the incentive given by increasing a representative's sales commission will help him meet competition and extend his market, but the problem of commissions in the present structure of the Cuban import market is secondary to price. European and Japanese competition with North American goods is growing, favoured by low prices in numerous lines, often accompanied by more liberal terms of payment.

Most shippers to Cuba are familiar with the invoicing and documentation procedures and regulations. Occasionally, however, there is evidence of inexperience or inattention which often results in lamentable and costly delays in Cuban customs. The confidence and goodwill of local importers can be severely strained or lost entirely in such cases where, as a general rule, the importer has paid for documents which he subsequently finds his own Customs will not process without punitive costs. ●

A bulletin explaining the shipping documents and customs regulations of Cuba is available to interested exporters on application to the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

British Trade with Canada

UNITED KINGDOM IMPORTS from Canada rose by 37 per cent during the eight months ended August 1955, but British sales to Canada were only 1¾ per cent higher. The balance of trade for the period thus favoured Canada by £139 million compared with £78½ million for the same period in 1954.

Imports from Canada

Imports from Canada increased in practically all the broad classifications in U.K. trade statistics. (Figures given refer to the eight months ended in August.) Cheese rose from £56,600 to £604 thousand; wheat from £30·7 million to £45·4 million, and barley from £5 million to £7½ million. Iron and steel imports increased six times in value; imports of animal feedstuffs, oil seed cake, oil seed and plywood tripled, and tobacco and ferro-alloys doubled. There were smaller increases in imports of Canadian pulp and paper, iron ore, and synthetic rubber. The only two commodities to show significant losses were fish and fish preparations, which declined from £2·1 million in the first eight months of 1954 to £752 thousand in the same period of 1955, and electrical machinery, apparatus and appliances, which declined from £1·4 million to £972 thousand.

Exports to Canada

Gains and losses were about equal as far as British exports to Canada were concerned. The value of miscellaneous textile fibres and waste rose from £161 thousand to £523 thousand, linoleum from £625 thousand to £1·4 million, and synthetic yarn and woven fabrics from £239 thousand to £275 thousand. On the other hand, British sales of whisky declined by £200 thousand to £1·4 million, and coal by £147 thousand to £744 thousand. The seriousness of the fall in coal shipments can be seen when they are compared with those in the first eight months of 1953, which were valued at £1,165,000. The value of iron and steel shipments fell by £2 million to £4·2 million and the number of passenger vehicles exported declined from 14,119 to 10,901.

The value of British exports to all destinations rose 7¾ per cent over the same period a year earlier but, as the above figures show, sales to Canada were much less satisfactory. Fortunately, sales to the United States improved by 17¾ per cent.

—R. P. BOWER,
Commercial Counsellor, London.

Egypt's Cotton Sales

Egyptian cotton exporters found the going difficult in 1954-55 but new credit facilities for certain foreign buyers, plus re-opening of cotton futures exchange at Alexandria, give hope for increased sales in new season.

M. R. M. DALE, *Commercial Secretary, Cairo.*

EGYPT is one of the world's largest sources of long staple cotton for the spinning of fine cotton thread and cotton accounts for about 85 per cent of its total imports. Sales abroad in the 1954-55 season ran into difficulties. Sales of cotton goods in the United Kingdom, other Western European countries, and Japan dropped. In addition, the United States accepted payment for raw cotton in the currencies of the purchasing countries and in some cases provided cotton as grants in aid. Up to August 1955, rumours regarding American cotton exports under the price support program caused spinners to use stocks in inventory and to purchase their requirements on a hand-to-mouth basis. However, recent barter agreements with the USSR and Rumania and cotton sales to China have reduced considerably the cotton stocks held by the Egyptian Government and by traders in the market. Credit up to £E10 million was arranged for exports to eastern European countries with whom payments agreements are in force.

Futures Exchange Re-opened

In order to bolster declining sales, the Egyptian Government decided to re-open the Alexandria Cotton Futures Exchange on September 26, 1955, feeling that a futures market might help the situation. The exchange had been closed for almost three years.

The re-opening was recommended by the United Kingdom delegation from Lancashire headed by the President of the Liverpool Cotton Association, which visited Egypt in October 1954, and the British Trade Delegation which recently toured the country and discussed the matter with the Egyptian authorities. The Government hopes that dealings will be carried on in a reasonable way. To insure this, it has introduced safeguards to prevent unsound and artificial practices and to confine operations to traders and other dealers with a continuing interest in the marketing of raw cotton. To guarantee a reasonable income to farmers, it has undertaken to participate as a buyer in the Exchange at the following minimum support levels:

Ashmouni, graded Good	55 talaris
Guiza 30, graded Good	59 "
Menoufi, graded Good Fully Good	65 "
Karnak, graded Good Fully Good	69 "

(A talari equals 20 piastres tarif. One hundred P.T.'s= £E1.)

The approximate situation of Egyptian cotton on August 25, 1955, was as follows:

	1954-55 (Cantars)	*1953-54 (Cantars)*
Stock on August 31st	1,671,292	3,442,605
Crop	7,746,260	7,081,869
Supply on September 1st	9,417,552	10,524,474
Total export from September 1st	4,994,614	6,948,314
Local consumption	1,695,056	1,601,054
Total distribution	6,689,670	8,549,368
Total supply at the end of the 51st week of the season	2,727,882	1,975,106

(A cantar equals 99·05 lb.)

Canadian Purchases

Only a small amount of the cotton spun in Canada includes long staple fibres and the spinning mills do not depend on it; Canadian purchases of Egyptian cotton therefore are based on price. The fluctuation in our imports from Egypt bears this out:

Raw Cotton Imports into Canada from Egypt

(in millions of pounds and millions of dollars)

	lb.	*$*
1948	2·4	1·1
1949	0·07	0·05
1950	0·07	0·04
1951	0·1	0·1
1952	....	....
1953	10·8	4·1
1954	0·5	0·2
1955 (six mos.)	....	....

In Egypt's cotton sales to Canada, according to present regulations, prices will represent the countervalue in United States or Canadian dollars of the quotation at either the Minet el Bassal spot market in Alexandria or the Alexandria Cotton Futures Exchange, plus export tax, insurance and freight charges, and the exporter's commission. ●

trade and tariff regulations

Denmark

FURTHER DOLLAR IMPORTS LIBERALIZED—The Danish Government announced on October 1st that it was expanding immediately the list of commodities that may be imported freely and without an import licence from Canada and other dollar countries. The original list of liberalized dollar imports into Denmark came into force on February 23 of this year and was reported in *Foreign Trade* of March 19.

The new list includes a number of raw materials, feedstuffs and breeding stock. Some manufactured goods have also been liberalzied, such as new tractors, office machines and certain spare parts for automobiles. Other items of particular interest to Canada include: unwrought non-ferrous metals; breeding cattle; fish meal; seed potatoes; rags; feathers; undressed hides and skins; copper wire, plain and enamelled; nickel anodes—Copenhagen, Oct. 25.

Detailed information regarding specific items may be obtained from the International Trade Relations Branch of the Department.

Greece

CUSTOMS TARIFF AMENDED—New amendments in the Greek customs tariff, effective October 1, provide for reductions in various rates of duty and also for increased duties on rayon yarns and artificial textile fibres. The reductions are the result of negotiations which Greece held under the GATT to compensate for increases in duties on other items.

In these negotiations, Canada obtained a reduction in the duty on primary aluminum, including CCP ingots, from 15 metallic drachmas to 5 metallic drachmas per 100 kilograms. Moreover, the duty on canned salmon was bound directly to Canada at the existing conventional rate for preserved fish. Concessions granted by Greece to other countries which appear to be of interest to Canadian exporters include reductions in the duties on whisky and gin, herring, mining machinery (rock drills, paving breakers, etc., and tools and accessories for such machinery even if imported separately), unwrought zinc, alarm clocks, photographic cameras, safety razor blades, cellophane paper, machine belting and machine packing of textile materials, automobile brake straps of asbestos. Moreover, the turnover tax on certain imported business machines (accounting, perforating, checking, sorting, stapling and similar machines) was reduced from 7½ per cent to 3¾ per cent of the duty-paid value.

The former ad valorem duties on rayon yarns and on artificial textile fibres have been replaced by specific (weight) duties which appear to be higher than the previous rates. At the same time, a measure was abolished under which Greek importers of rayon had been required to purchase from the Greek industry an amount of rayon equal to four times that imported from abroad—Athens, Oct. 12.

ADVANCE DEPOSIT ON IMPORTS—Readers may recall that a notice in *Foreign Trade* of March 19, 1955, page 44, reported new Greek regulations under which importers were required to make an advance deposit for all imports except those under letters of credit. These deposits ranged from 3 per cent of the invoice value for essential imports to 50 per cent for certain less essential goods.

Effective October 22nd, a new category (F3) has been established for certain goods on which the advance deposit now amounts to 100 per cent of the c.i.f. value. The products affected are considered by the Greek authorities to be of a luxury type. They include the following goods which appear to be of interest to Canadian exporters: whisky, gin, metal stoves, lamps, utensils and other manufactures of nickel and aluminum, electrical appliances, radios, electric heaters and ranges, refrigerators, various rubber goods (excluding tires), certain textiles, toys, motor vehicles except trucks, bodywork for vehicles, articles of celluloid.

The existing freedom from quantitative restrictions for most imports into Greece has not been affected by these regulations—Athens, Oct. 24.

United Kingdom

IMPORT RESTRICTIONS ON NEWS FILM RELAXED—Importers in the United Kingdom have been notified that all widths of news film will be admitted into that country from all sources without the requirement of separate import licences. From November 2nd, World Open General Licence treatment has been extended to "Cinematograph film consisting wholly of photographs (with or without sound track) which at the time of import are means of communicating news".

Prior to November 2nd, only news film of a width of 1⅜ inches could be imported on World Open General Licence. There has been an increasing demand for the 16mm. width for television purposes, which will benefit from the removal of the formality of separate licences.

SULPHUR IN PYRITES ON WORLD OPEN GENERAL LICENCE—Notice to Importers No. 754 announced that, from January 1, 1956, sulphur may be imported into the United Kingdom from any country without individual import licence.

Information has since been received that the notice refers to elemental sulphur and that sulphur in pyrites is already admissible from any country without individual licence under the item covering "iron pyrites (including cupreous iron pyrites)" which has been on W.O.G.L. for some time.

Uruguay

IMPORT QUOTAS—On October 14th the Import-Export Exchange Control Board opened a quota of US$700 thousand from the United States and/or Canada for first category merchandise. Imports received under this quota will have to be paid in the "non-convertible" currency which the Bank of the Republic may grant. This currency, it is reported, is likely to be Dutch florins, and therefore local importers will have to make a "switch" and buy the necessary dollars at an extra cost which may run up to 4 per cent—Montevideo, Oct. 17.

Venezuela

FROZEN AND REFRIGERATED PRODUCTS—The Venezuelan Ministry of Finance has announced that, effective November 1, 1955, all shipments of frozen or refrigerated foods entering the country must carry the Venezuelan importer's customs number. These numbers are being assigned to importers on application to the Director of Customs. The new law specifies that these numbers must be stamped in indelible ink on each container in numerals not less than ten centimeters high. Captains of ships transporting frozen or refrigerated products to Venezuela are also required to enter these numbers on their manifests. Most exporters are now including importers' customs numbers in their shipping documents and, although the law does not specifically call for this procedure, it is suggested that Canadian exporters follow this practice—Caracas, Oct. 26.

trade commissioners on tour

FROM TIME TO TIME Canadian Trade Commissioners return to Canada to bring themselves up-to-date on conditions here and to renew their contacts with businessmen. Details of their itineraries appear under this heading, as a service to exporters and importers who wish to discuss trading problems with them.

M. P. CARSON, Consul and Trade Commissioner in São Paulo, Brazil, began his Canadian tour in Vancouver on October 3. His itinerary is:

Quebec—Nov. 28-29	Ottawa—Nov. 30

C. M. FORSYTH-SMITH, Commercial Secretary in Sydney, Australia, began the first part of his Canadian tour in Halifax on October 31st. His itinerary is:

Toronto—Nov. 21-Dec. 2	Hamilton—Dec. 7
St. Catharines—Dec. 5	Windsor—Dec. 8
Welland—Dec. 6	Ottawa—Dec. 9-18

H. J. HORNE, Commercial Secretary in Lima, Peru, began his Canadian tour in Vancouver, October 17-27. His itinerary is:

Goderich—Nov. 28	Ottawa—Dec. 1-7
Woodstock—Nov. 29	Montreal—Dec. 8-15
Guelph—Nov. 30	Quebec—Dec. 16

Businessmen in the various centres may get in touch with these officers through the following organizations:

Board of Trade—Goderich, Guelph, Montreal, Quebec.

Chamber of Commerce—Hamilton, St. Catharines, Welland, Windsor, Woodstock.

Canadian Manufacturers Association—Toronto.

Department of Trade and Commerce—Ottawa.

countries served by foreign trade service

This list shows the countries included in the territories of Canadian Trade Commissioner offices abroad and the post responsible for the promotion of Canadian trade in each.

Country	Post Responsible
Aden	Cairo
Afghanistan	Karachi
Alaska	Seattle
Algeria	Paris
Angola	Leopoldville
Argentina	Buenos Aires
Australia	Sydney and Melbourne
Austria	Berne
Azores	Lisbon
Bahamas	Kingston
Bahrein	Beirut
Balearic Islands	Madrid
Barbados	Port-of-Spain
Belgian Congo	Leopoldville
Belgium	Brussels
Bermuda	New York
Bolivia	Lima
Brazil	Rio de Janeiro and São Paulo
British Cameroons	London
British Guiana	Port-of-Spain
British Honduras	Kingston
British Togoland	London
Brunei	Singapore
Burma	Singapore
Cambodia	Hong Kong
Canal Zone, Panama	Guatemala
Canary Islands	Madrid
Cape Verde Islands	Lisbon
Cayman Islands	Kingston
Ceylon	Colombo
Chile	Santiago
China	Hong Kong
Colombia	Bogotá
Costa Rica	Guatemala
Cuba	Havana
Curaçao	Caracas
Cyprus	Cairo
Czechoslovakia	Berne
Denmark	Copenhagen
Dominican Republic	Ciudad Trujillo
Dutch Guiana	Port-of-Spain
Ecuador	Bogotá
Egypt	Cairo
England	London and Liverpool
Ethiopia	Cairo
Falkland Islands	Montevideo
Federation of Rhodesia and Nyasaland	Salisbury
Fiji	Wellington
Finland	Stockholm
Formosa	(See Taiwan)
France	Paris
French West Africa	Paris
French Equatorial Africa	Leopoldville
French Guiana	Port-of-Spain
French West Indies	Port-of-Spain

Country	Post Responsible
Gambia	London
Germany	Bonn
Gibraltar	Madrid
Goa	Karachi
Gold Coast	London
Greece	Athens
Greenland	Copenhagen
Guatemala	Guatemala
Guiana (British, Dutch, French)	Port-of-Spain
Haiti	Port au Prince
Hawaii	San Francisco
Honduras	Guatemala
Hong Kong	Hong Kong
Hungary	Berne
Iceland	Oslo
India	New Delhi and Bombay
Indonesia	Djakarta
Iran	Karachi
Iraq	Beirut
Ireland, Republic of	Dublin
Ireland, Northern	Belfast
Israel	Athens
Italy	Rome
Jamaica	Kingston
Japan	Tokyo and Kobe
Jordan	Beirut
Kenya	Salisbury
Korea	Tokyo
Kuwait	Beirut
Laos	Hong Kong
Lebanon	Beirut
Leeward Islands	Port-of Spain
Liberia	New York
Libya	Rome
Liechtenstein	Berne
Luxembourg	Brussels
Macao	Hong Kong
Madagascar	Johannesburg
Madeira	Lisbon
Malaya	Singapore
Malta	Rome
Mauritius	Johannesburg
Mexico	Mexico
Morocco, French	Paris
Morocco, Spanish	Madrid
Mozambique	Johannesburg
Netherlands	The Hague
Netherlands Antilles	Caracas
Netherlands Guiana	Port-of-Spain
New Guinea	Sydney
New Zealand	Wellington
Nicaragua	Guatemala
Nigeria	London
North Borneo	Singapore
Northern Ireland	Belfast
Norway	Oslo

Country	Post Responsible
Orange Free State	Johannesburg
Pakistan	Karachi
Panama	Guatemala
Paraguay	Montevideo
Persia	(See Iran)
Peru	Lima
Philippines	Manila
Portugal	Lisbon
Portuguese East Africa	Johannesburg
Portuguese Guinea	Lisbon
Puerto Rico	Ciudad Trujillo
Rio Muni	Madrid
Rio de Oro	Madrid
Ruanda Urundi	Leopoldville
El Salvador	Guatemala
St. Pierre and Miquelon	St. John's
Sarawak	Singapore
Saudi Arabia	Cairo
Scotland	London
Siam	(See Thailand)
Sierra Leone	London
Singapore	Singapore
Somaliland	Cairo
South Africa, Union of	Johannesburg and Cape Town
South-West Africa	Cape Town
Spain	Madrid
Sudan	Cairo
Surinam	(See Netherlands Guiana)
Sweden	Stockholm
Switzerland	Berne
Syria	Beirut
Taiwan	Hong Kong
Tanganyika	Salisbury
Tangier	Madrid
Thailand	Singapore
Tobago	Port-of-Spain
Trieste	Rome
Trinidad	Port-of-Spain
Tunisia	Paris
Turks and Caicos Islands	Kingston
Turkey	Athens
Uganda	Salisbury
United States	Boston, Chicago, Detroit, Los Angeles, New Orleans, New York, San Francisco, Seattle, Washington
United Kingdom	London and Liverpool
Uruguay	Montevideo
Venezuela	Caracas
Viet Nam	Hong Kong
Wales	Liverpool
Western Samoa	Wellington
Windward Islands	Port-of-Spain
Yemen	Cairo
Yugoslavia	Rome
Zanzibar	Salisbury

Spain Announces Housing Program

SPAIN has recently announced an ambitious five-year program to provide 550 thousand low-rent homes, to be built at an average cost of less than $1,500. Under the program, which begins on January 1, 1956, most of the new homes will be urban apartments in growing industrial areas such as Barcelona, Bilboa, Seville, Valencia, Oviedo and Zaragoza. There is also an allotment for rural dwellings, most of which will be handled by the National Institute of Colonization.

Thousands of Spanish homes were destroyed during the Civil War and no new construction was undertaken for three years after. Home building began in 1945 and, in all, approximately 200 thousand housing units have been built during the last 10 years—an average of 20,000 a year.

Emphasis will be on cheap housing at anti-inflationary rents, accessible to industrial workers and state employees who are used to paying out not more than one-fifth of their wages in rent. The plan provides for direct state loans for four-fifths of the 550 thousand homes and puts strict limits on the size and cost per square metre. Included in the program are 100 thousand middle-sized houses for which a state loan of up to 50 per cent of the cost of land and building is provided, and 225 thousand smaller homes enjoying a loan of up to 80 per cent. The loan, made by the National Housing Institute, will be interest-free and redeemable within a maximum of 50 years. The remainder of the cost will come principally from the national employer-employee syndicates and, to a small extent, from the future occupants.

An appeal has been made to private capital to undertake a quota of 110 thousand units which will rent at a maximum of approximately $37 a month. No state loan will be provided, but tax exemptions up to 39 years will be given. This part of the plan is not new, but added inducements are the right to ask for expropriation of building sites and for priority in the supply of building materials.

Much of the success of this ambitious program depends on Spain's ability to provide enough of the essential materials like cement, steel and lumber. Production of these is already hard-pressed to meet the industrialization programs. The steel and cement industries are expanding, but it is likely that Spain will have to look abroad for materials to fulfill this housing program.

—B. I. RANKIN,
Commercial Secretary, Madrid.

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollar equivalents and units of foreign currency per Canadian dollar have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from importers. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalent multiply by 1·0003.

foreign exchange rates

Country	Unit	Type of Exchange	Can. dollar equivalent Nov. 10	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Official	·05554	18·01	
		Free	·03325	30·08	*Nov. 3
Australia	Pound		2·2415	·445	
Austria	Schilling		·03845	26·01	
Belgium-Luxembourg	Franc		·01994	50·15	
Belgian Congo	Franc		·01994	50·15	
Bolivia	Boliviano	Official	·00526	190·11	
British West Indies	Dollar		·5837	1·71	(3)
	Pound		2·8019	·357	(4)
	Dollar	British Honduras	·7005	1·43	
Brazil	Cruzeiro	Effective selling			
		Category I	·01132*	88·36*	tax 10% (2)
		Category V	·00312*	320·82*	*Oct. 25
		Official buying	·05445	18·37	(5)
Burma	Kyat		·2099	4·76	
Ceylon	Rupee		·2101	4·76	
Chile	Peso	Official	·00500	200·08	(1)
		Exceptional	·00333	300·09	(6)
Colombia	Peso	Basic	·3999	2·50	(7)
		Free	·2498*	4·00*	*Nov. 9
Costa Rica	Colon	Official	·1780	5·62	
		Controlled free	·1506	6·64	
Cuba	Peso		·9997	1·00	tax 2% (2)
Czechoslovakia	Koruna		·1388	7·20	
Denmark	Krone		·1447	6·91	
Dominican Republic	Peso		·9997	1·00	
Ecuador	Sucre	Official	·06665	15·00	
		Free	·05765	17·35	
Egypt	Pound	Official	2·8707	·348	
Fiji	Pound		2·5242	·396	
Finland	Markka		·00435	229·89	
France	Franc		·00286	349·65	(8)
French Africa	Franc		·00572	174·83	(9)
French Pacific	Franc		·01571	63·65	(10)
Germany	D Mark		·2372	4·22	
Greece	Drachma		·03332	30·01	
Guatemala	Quetzal		·9997	1·00	
Haiti	Gourde		·1999	5·00	
Honduras	Lempira		·4998	2·00	
Hong Kong	Dollar	Free	·1704	5·87	*Nov. 4
Iceland	Krona	Official	·06138	16·29	
		Special buying	·04839	20·67	
		Special selling	·03808	26·26	(11)
India	Rupee		·2101	4·76	
Indonesia	Rupiah	Basic	·08758	11·42	(12)
Iran	Rial	Certificate	·01320	75·77	
Iraq	Dinar		2·799	·357	
Ireland	Pound		2·8019	·357	
Israel	Pound		·5554	1·80	
Italy	Lira		·00160	623·44	
Japan	Yen		·00278	360·10	
Lebanon	Pound	Free	·3093	3·23	

* Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent Nov. 10	Units per Canadian dollar	Notes (See below)
Mexico	Peso	....	·07998	12·50	
Netherlands	Guilder	....	·2633	3·80	
Netherlands Antilles	Guilder	....	·5305	1·89	
New Zealand	Pound	....	2·8019	·357	
Nicaragua	Cordoba	Effective buying	·1515	6·60	
		Official selling	·1418	7·05	
Norway	Krone	....	·1400	7·14	
Pakistan	Rupee	....	·2101	4·76	
Panama	Balboa	....	·9997	1·00	
Paraguay	Guarani	Basic	·04760	21·01	(1)
		Group I	·03703	27·01	
		Group II	·02856	35·01	(13)
Peru	Sol	Certificate	·05262	19·00	
Philippines	Peso	....	·4998	2·00	tax 17% (2)
Portugal	Escudo	....	·0349	28·65	(14)
El Salvador	Colon	....	·3999	2·50	
Singapore & Malaya	Straits dollar	....	·3269	3·06	
South Africa (Union of)	Pound	....	2·8019	·357	
Spain & Dependencies ...	Peseta	Basic buying	·04565	21·91	
		Basic commercial selling	·06086	16·43	(1)
		Free	·02567	38·96	
Sweden	Krona	....	·1932	5·18	
Switzerland	Franc	....	·2333	4·29	
Syria	Pound	Free	·2795	3·58	*Oct. 14
Thailand	Baht	Free	·04556	21·95	*Sept. 30 (1)
Turkey	Lira	....	·3570	2·80	
United Kingdom ..	Pound	....	2·8019	·357	
United States	Dollar	....	·9997	1·0003	
Uruguay	Peso	Official	·6581	1·52	
		Basic buying	·5616	1·78	
		Special buying	·4254	2·35	tax 6% (2)
		Basic selling	·5262	1·90	(1)
		Special selling	·4080	2·45	
Venezuela	Bolivar	....	·2984	3·35	
Yugoslavia	Dinar	....	·00333	300·12	

* Latest available quotation date.

notes

1. Additional rates are in effect.
2. Tax affects selling (import) rates only; certain essential imports exempt.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Br. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Brazil: Currency certificates auctioned for five import categories. Effective selling rate is official plus price of certificates. Exporters receive cruzeiros at official rate plus exchange premiums ranging from 18.70 to 31.70 cruzeiros per U.S. dollar depending on product.
6. Chile: Official rate applies only to most essential imports.
7. Colombia: Stamp taxes of 3, 10, 30, 80 and 100 per cent on imports depending on essentiality. The free rate applies to minor exports and less essential imports.
8. Includes Algeria, Tunisia, Morocco, Guiana, Guadeloupe, Martinique.
9. Equatorial Africa, West Africa, Cameroons, Togoland, Somaliland, Madagascar, Reunion, St. Pierre and Miquelon.
10. New Caledonia, New Hebrides, Oceania.
11. Iceland: Special rates apply to minor export products of small fishing boats and designated non-essential imports.
12. Indonesia: Basic rate applies to all exports and few essential imports. Purchase of exchange for other imports is subject to surcharges of 50, 100, 200 or 400 per cent depending on products.
13. Paraguay: Paraguayan exports subject to basic rate plus variety of exchange subsidies and surcharges.
14. Portugal: Approximately same rate for Portuguese Territories in Africa.

transportation notes

Australia

AIR FARES, FREIGHT RATES INCREASED—Australian National Airways, Trans-Australian Airways and Ansett Airways announced late in October that they were increasing their first-class air fares by 5 per cent and freight rates by an average of 7½ per cent. Tourist class services are not involved.

The general manager of TAA said that the Minister for Civil Aviation had approved the increases. The rise was made necessary by increased operating costs, particularly by the impact of increases in margins which, he said, had added £360 thousand a year to wages and salaries paid by TAA. TAA expects to gain £320 thousand more in revenue this financial year from the increased rates—Sydney, Oct. 31.

Canada

OCEAN FREIGHT RATE TO VENEZUELA—Ocean freight rates from eastern Canada to Venezuela are being increased by approximately 10 per cent. The increase will be effective December 14th.

Federation of Rhodesia and Nyasaland

RAILWAY EXPANSION—A private development corporation has agreed to invest $13·5 million in rolling stock for the government-owned Rhodesia Railways. The money will be spent during the remainder of 1955 and in 1956, principally on box cars and tank cars. The rolling stock thus purchased will be hired by the railways for 25 years at agreed rates and they will be responsible for maintenance. In the past ten months another private group has loaned the railways $16 million and, according to the Minister of Transport, an additional $60 million will have to be spent in the next four years to provide additional carrying capacity, line capacity, housing for staff, and other facilities to enable the railways to do their work—Salisbury. Oct. 31.

Jamaica

CNS TO PROVIDE REFRIGERATED CARGO SPACE—The five Canadian National ships on the Canada-Bahamas-Cuba-Jamaica run are to be equipped with refrigerated cargo-space which, according to the local agents of the line, will total 3,000 cubic feet on each vessel. Saguenay Terminals, the other Canadian shipping line trading between Canada and Jamaica, has recently provided a similar service on a monthly basis. It is hoped these new services will help to develop exports of fresh fish, meat, vegetables, and other products requiring refrigeration to these southern regions. The luxury hotels in the Bahamas and Jamaica, with their large and growing tourist trade, should be the main outlet—Kingston, Nov. 4.

Pakistan

KARACHI SEAPORT—The World Bank will loan $14·8 million to Pakistan for port improvements at Karachi. The loan will help to finance replacement of 13 cargo berths, including a modern quay wall more than a mile long, a paved apron with roadways and railway tracks, installation of 52 electric cranes, and new storage facilities. The whole project, which will cost about $24 million, is planned for completion in 1962—Karachi, Nov. 7.

United States

OHIO HARBOUR—Ashtabula in Ohio, the world's third largest iron ore receiving port, has launched a $4·9 million harbour expansion program in preparation for the St. Lawrence Seaway. New facilities will include a 3,200-foot channel and turn-around basin for large cargo ships and two public docks, each 2,000 feet in length—Detroit, Nov. 8.

West Germany

AIR TRAFFIC INCREASING—The increase in air traffic in the Federal Republic during the first quarter of 1955 continued during the second quarter; the total of passengers and freight carried was higher than during the same period last year. Preliminary figures show 92,000 take-offs and landings at ten West German airports during the first six months. Passengers carried totalled more than 1·2 million compared with 954 thousand during the first half-year, an increase of approximately 33 per cent. Freight traffic reached approximately 49·4 million kilograms, compared with 44·2 million last year. For the first time since the war these figures include data of the Deutsche Lufthansa—Bonn, Nov. 7.

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